MURTAUGH HIGHWAY DISTRICT

Report on Audited
Basic Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Martin CPAs, PC

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MURTAUGH HIGHWAY DISTRICT

Basic Financial Statements

For the Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Murtaugh Highway District
Murtaugh, Idaho 83344

We have audited the accompanying financial statements of the governmental activities of the major (general) fund, and the aggregate remaining fund information of the Murtaugh Highway District as of and for the year ended September 30, 2024 , and the related notes to the financial statements, which collectively comprise the Highway District's basic financial statements.

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. 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 aggregate discretely presented component units, and the aggregate remaining fund information of the Murtaugh Highway District, State of Idaho, as of September 30, 2024 , 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 schedules, that we have listed as required supplementary information in the table of contents, be presented to supplement the basic financials 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 financials statement in an appropriate operational, economic or historical context.

Management has omitted the management‘s discussion and analysis information required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Governmental Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated January 11, 2025, on our consideration of the Highway District’s internal control over financial reporting and on my 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 Governmental Auditing Standards in considering the Highway District’s internal control over financial reporting and compliance.



Martin CPAs, PC
Twin Falls, Idaho 83301

January 11, 2025

FINANCIAL SECTION - BASIC FINANCIAL STATEMENTS

MURTAUGH HIGHWAY DISTRICT

Government wide

Statement of Net Position

September 30, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 1,388,548
Receivables:	
Other	15,079
Prepaid Expenses	9,182
Property Taxes	3,741
Total Current Assets	1,416,550
Capital Assets – Note 3	
Land	5,000
Other Capital Assets,	
Net of Depreciation	800,289
Total Capital Assets	805,289
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Pension Resources	8,619
Total Assets and Deferred Outflows of Resources	$ 2,230,458
LIABILITIES	
Accounts Payable	(39,122)
Accrued Liabilities & deposits	(2,507)
Total Current Liabilities	(41,629)
LEASE OBLIGATIONS (NOTE 4)	
Short-Term	(88,341)
Long-Term	(435,360)
	(523,701)
DEFERRED INFLOWS OF RESOURCES	
Net Pension Liability	(265,796)
Total liabilities and Deferred Inflows of Resources	(831,126)
NET POSITION:	
Invested in Capital Assets,	
Net of Related debt	281,588
Funds Obligated For Projects	1,028,939
Unrestricted	88,805
TOTAL NET POSITION	$ 1,399,332

See accompanying notes to financial statements.

MURTAUGH HIGHWAY DISTRICT

Government wide - Statement of Activities

For the Year Ended September 30, 2024

Functions/Programs:	Expenses	Program Revenues: Sales of Materials & Surplus Items	Program Revenues: Permit Fees & City Maint. Agreement	Program Revenues: Operating Grants	Changes in Net Position - Government Activities
Governmental Activities:					
Road Construction & Maintenance	$ 1,226,139	$ 166,212	$ 6,605	$ -	$ (1,053,322)
Administration, Operations, Payroll & Benefits	307,893				(307,893)
Depreciation	91,919	-	-	-	(91,919)
Total Government Activities	$ 1,625,951	$ 166,212	$ 6,605	$ -	(1,453,134)
Government Revenues:					
Highway Use Revenues					1,091,429
Property Taxes					262,130
Sales Tax Revenues					85,720
Ag Replacement Revenues					20,199
Forest Fund Revenues					6,319
Total Government Revenues					1,465,797
Local Revenues:					
Interest Earned					53,399
Contract Service Revenues					125,155
Other Local Revenues					6,719
Total Local Revenues					185,273
Total General Revenues					1,651,070
Change in Net Position					197,936
Net Position, Beginning of year					1,201,396
Net Position, End of year					$ 1,399,332

See accompanying notes to financial statements.

MURTAUGH HIGHWAY DISTRICT

Government Funds -
Balance Sheet
September 30, 2024

	General Fund
ASSETS	
Cash and temporary investments	$ 1,388,548
Receivable-Other Entities	15,079
Property taxes receivable	3,741
Prepaid Expenses	9,182
Total assets	$ 1,416,550
LIABILITIES AND FUND EQUITY	
Accounts payable	$ 39,122
Accrued liabilities	1,107
Deferred revenues	3,599
Deposits	1,400
Total liabilities	45,228
FUND BALANCE	
Obligated for future projects (from road & street report)	1,028,939
Unreserved	342,383
Total fund balance	1,371,322
Total liabilities and fund balances	$ 1,416,550

See accompanying notes to financial statements.

MURTAUGH HIGHWAY DISTRICT

Reconciliation of Total Government Fund Balance to the Statement of Net Position

September 30, 2024

Total Government Fund Balance		$ 1,371,322
Amounts reported for government activities in the Statement of Net Position is different because:		
Capital assets are not a part of the Government Fund Balance Sheet, but are included in the Government-wide Statement of Net Position		805,289
Deferred Pension Resources & Liabilities, not a part of the Government Fund Balance sheet, are included as part of Government-wide Statement of Net Position:		
Deferred Outflows of Resources-PERSI	8,619	
Net Pension Liability-PERSI	(265,796)	(257,177)
Long-term debt obligations, not a part of the Fund based financial statements are included in the Government-wide Statement of Net Position		(523,701)
Assets that are not available to pay for Current-period Expenditures, are deferred in the Government Fund Balance sheet, and not on Government-wide Activities:		
Deferred revenues - property taxes		3,599
Net Position of Government-wide Activities		$ 1,399,332

See accompanying notes to the financial statements.

MURTAUGH HIGHWAY DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance

September 30, 2024

	General Fund
Local Funding Sources:	
Property Tax Revenues	$ 259,608
Sales of Surplus Equipment	151,224
Contract Service Income	125,155
Interest Earned	53,399
Other Local Revenues	11,999
Sale of Materials	14,988
Permits	1,325
Total Local Revenues	**617,698**
State Funding Sources:	
HB 772 Highway Users Revenues	531,403
Highway Users Revenues	432,448
HB 312 HUR Highway Users Revenues	127,578
Sales tax revenues	85,720
Ag replacement revenues	20,199
Total State Revenues	**1,197,348**
Federal Funding Sources:	
Forrest Reserve revenues (Title I Funds)	6,319
Total Federal Revenues	**6,319**
Total Receipts	**1,821,365**
Expenditures:	
New Construction:	
Bridges, Culverts & Storm Drainage	1,292
Total New Construction	**1,292**
Routine Maintenance:	
Chip Sealing or Road Repairs	163,924
Patching	50,597
Winter Maintenance	24,409
Grading/Blading	62,995
Other (Signs, Signals, Traffic Control Expenses)	80,730
Total Routine Maintenance	**382,655**
Equipment:	
Equipment purchase - Tools	816
Equipment Lease/purchase - Heavy Equipment	68,543
Equipment Maintenance Expense	157,845
Equipment Lease Expense	138,868
Total Equipment Expenditures	**366,072**

MURTAUGH HIGHWAY DISTRICT

Statement of Revenues, Expenditures, and
Changes in Fund Balance . . . Continued
September 30, 2024

Administration and General:		
Office & general administrative expenses	$	280,588
Utilities		16,232
Building Repairs & Maintenance		11,073
Total Administration and General		**307,893**
Other expenditures:		
Professional services - Engineering		238,633
Professional services-Legal, Auditing, Code Enforcement		9,278
Other Local Expenditures		-
Total Other Expenditures		**247,911**
Total expenditures		**1,305,823**
Excess of Revenues Over Expenditures		**515,542**
Fund balance – beginning of year		**855,780**
Fund balance – ending of year	**$**	**1,371,322**

See accompanying notes to the financial statements.

MURTAUGH HIGHWAY DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities

For the Year Ended September 30, 2024

Net Change in Fund Balances – Governmental Funds		$ 515,542
Reconciling Differences:		
Governmental funds report capital outlays as expenditures, while In the Statement of Activities, the cost of those assets is allocated over Their estimated useful lives as depreciation expense. Equipment purchased, Sold less depreciation expense in the current period:		
Equipment purchased	$ 68,543	
Depreciation expense	(91,919)	
		(23,376)
Change in Net Deferred Pension Inflows and Outflows from PERSI employer obligations are reported on Government Wide Activities but not in the Governmental Funds		(47,329)
Changes in Long-term debt obligations are not a part of Government Fund Statements But are a part of Government-wide Activities:		
Long-term debt contracts assumed during the year	(586,607)	
Reduction in Long-term debt (Principal paid during the year)	341,193	
		(245,414)
Because some property taxes will not be collected for months After the Highway District's fiscal year ends, they are not considered To be "available" revenues in the governmental funds, but are for GW activities:		
Current year decrease in deferred property tax revenues		(1,487)
Change in Net Position of Government Wide Activities		$ 197,936

See accompanying notes to financial statements.

MURTAUGH HIGHWAY DISTRICT

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended September 30, 2024

	Original	Final	Actual	Variance with Final Budget:
Revenues:				
Highway Users Revenues	$ 560,100	$ 560,026	$ 560,026	$ 0
Property Taxes	253,295	262,962	259,608	(3,354)
HB 772 Revenue	298,212	531,402	531,402	-
Reimbursements & Materials Sold	25,000	119,180	137,153	17,973
Sales of Surplus Equipment	170,000	151,224	151,224	-
Other Miscellaneous Revenues	-	-	3	3
Sales Tax, Incl'g HB 362 & Ag Replacement Tax	128,685	106,172	115,626	9,454
Permit Fees	10,000	3,405	3,605	200
Forest Revenue	7,730	6,319	6,319	-
City Maintenance Agreement	2,500	3,000	3,000	-
Interest Earned	30,000	49,978	53,399	3,421
Total Revenues	1,485,522	1,793,668	1,821,365	27,697
Expenditures:				
General Government:				
Administrative (office expenditures)	32,760	31,953	26,389	5,564
Equipment Maintenance & Fuel	148,500	145,699	134,420	11,279
Professional Services - Basic Engineering	34,000	28,672	24,000	4,672
Legal, Code Enforcement & Auditing	10,750	6,498	13,559	(7,061)
Utilities	17,000	15,459	16,232	(773)
Roads Upgraded & Routine Maintenance	521,000	361,218	372,659	(11,441)
Payroll & Benefits (Unallocated)	400,802	487,122	494,211	(7,089)
Travel/Education	5,000	5,187	5,043	144
Building Maintenance & Repairs	13,000	11,022	11,083	(61)
Capital expenditures:				
Capital Expense-Equipment & Tools	395,243	226,384	208,227	18,157
Total expenditures	1,578,055	1,319,214	1,305,823	13,391
Revenues Less Expenditures	(92,533)	474,454	515,542	41,088

See accompanying notes to the financial statements.

MURTAUGH HIGHWAY DISTRICT

Statement of Revenues, Expenditures, and

Changes in Fund Balances – Budget and Actual . . . Continued

General Fund

For the Year Ended September 30, 2024

	Original	Final	Actual	Variance with Final Budget:
Revenues Less Expenditures, from page 13	(92,533)	474,454	515,542	41,088
Fund balance, beginning of year	855,780	855,780	855,780	-
Fund balance, end of year	$ 763,247	$ 1,330,234	$ 1,371,322	$ 41,088

See accompanying notes to the financial statements.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Highway District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Highway District also applies Financial Accounting Standards Board (FASB) statements and interpretation to its governmental funds, provided they do not conflict with or contradict GASB pronouncements. The significant accounting policies of the Highway District are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Murtaugh Highway District. The highway district is governed by an elected board which possesses final decision making authority and is held primarily accountable for those decisions. The board is responsible for approving the budget, establishing spending limitations, funding any deficits and borrowing funds and/or issuing bonds to finance construction. There are no other boards, councils, or component units for which the Murtaugh Highway District exercises authority.

B. Government-Wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government.

The statement of net position presents the financial condition of the governmental activities for the Murtaugh Highway District at year-end. The statement of activities presents a comparison between direct expenses and program revenue for each program or function of the Murtaugh Highway District's governmental activities and for the business-type activities of the district. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

During the year, the Murtaugh Highway District utilizes a general fund in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the district at a detailed level. The focus of governmental is on major funds. The Murtaugh Highway District has one major fund only, the general fund.

D. Measurement Focus, Basis of Accounting, and financial Statement Presentation

The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar item are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Murtaugh Highway District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues if they are collected within 90 days of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The General Fund, which is the government's primary operating fund. The General Fund accounts for all financial resources of the general government.

E. Deposits and Investments

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The District is covered under FDIC insurance for this risk. At year end, the Murtaugh Highway District had a general checking account balance of $34,919.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District held no investments with custodial credit risk, and therefore had no exposure to this type of risk.

Credit Risk: The District's policy is to comply with Idaho State statutes which authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. $1,353,629 was invested with the State Investment pool at year end. Total Checking and investments combined were $1,388,548 as of September 30, 2024 .

F. Inventory

Inventories at year end are considered immaterial and have not been accounted for.

G. Capital Assets

Capital assets, which include property, plant & equipment, and similar items acquired subsequent to September 30, 2003 are reported in the applicable governmental column in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations in the Government-wide statement of activities. Capital assets are reported net of accumulated depreciation on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-40 years
Improvements	10-45 years
Equipment	3-10 years

H. Long-term Liabilities and Lease Obligations

Long-term liabilities consist of bonds, notes, and other indebtedness. As of September 30, 2024 there were no bonds or long-term notes payable.

The Highway District had one remaining annually renewable equipment lease obligations as of September 30, 2024 , as explained in Note 4.

In the government wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net position.

I. Budgets and Budgetary Accounting

The Highway District follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.

2. Budgets for all funds are adopted on a basis other than generally accepted accounting principals. Uncommitted appropriations lapse at every year-end.

3. Revisions to the budget can only be made by court order, public hearing, or in case of certain emergencies as defined by law.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Accumulated unpaid vacation, sick pay, and other employee benefit amounts have not been accrued.

K. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the district because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

L. 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) additions to and 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, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Post-Employment Benefits (OPEB)

Governmental Accounting Standards Board (GASB) statement 75, an accounting and financial reporting provision requiring governmental employers to measure and report liabilities associated with other postemployment benefits (OPEB) other than pensions, has not been implemented by the District. OPEBs include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Actuaries with both pension and health experience are utilized to perform calculations following generally accepted actuarial methods. The Governmental Accounting Standards board adopted GASB 75 stemming from a concern, by financial statement users, over the potential unrecorded liability that governmental employer have for obligations for postemployment benefits.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asses and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: DUE FROM OTHER GOVERNMENTS AND OTHER ENTITIES

Receivables from other Entities was $ 15,079 as of September 30, 2024 .

Note 3: RISK MANAGEMENT INSURANCE

The Highway District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Highway District has transferred most of its risk by purchasing

Workers Compensation insurance is purchased through the Idaho State Insurance Fund. All other insurance has been purchased through Idaho Counties Risk Management Program (ICRMP), and is renewed annually. The policy coverage include: Buildings, Structures and Personal Property/Automobile Physical Damage, Comprehensive General Liability, Automobile Liability, Errors and Omissions Liability, Crime Insurance, Boiler and Machinery.

Note 4: CAPITAL ASSETS

As of September 30, 2024 , Capital Assets consisted of the following:

	Balance As of 10/1/23	Additions	Deletions	Balance As of 9/30/23
Governmental Activities				
Equipment	$ 1,554,871	$ 68,543	(96,671)	$ 1,526,743
Buildings & Improvements	100,000	-		100,000
Land	5,000	-	-	5,000
Total	1,659,871	68,543	(96,671)	1,631,743
Less, accumulated Depreciation:				
Equipment	731,206	91,919	(96,671)	726,454
Buildings & Improvements	100,000	-	-	100,000
Total	831,206	91,919	(96,671)	826,454
Capital assets, Net	$ 828,665	$ 160,462	(193,342)	$ 805,289

Capital assets from Governmental Activities are summarized as follows, at year end:	
Capital assets,	
Land	$ 5,000
Other capital assets,	
Net of depreciation	800,289
Capital Assets, Net of	
(Governmental activities)	$ 805,289

Note 5: LONG TERM LEASE OBLIGATIONS:

The Highway District had two lease contracts with DL Evans Bank, and two lease contracts with Summit National Bank, as of the year ended September 30, 2024.

DL Evans and Summit National Bank retain ownership of the leased equipment, with the expectation that the District may purchase the equipment at the end of the lease. The leases are "Municipal Leases" giving the District the option to return the equipment in good working order to the banks with a 90 day notice - the lease contracts, may be said to be "annually renewable." The leases are classified as long-term in nature on the Government-wide financial statements, because it is expected that the District may purchase said equipment at the end of the lease. A lease for a Caterpillar 160 M3 AWD Grader was returned to Caterpillar Finance, during the year when another equipment lease was started.

The lease activity during the year, and projected lease maturity information follows on the next page.

Note 6: PROPERTY TAXES

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest due and imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the fiscal year.

Note 7: LITIGATION, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

There was no litigation, present or pending, against the Highway District, and no contingent liabilities or other known

Note 8: INCOME TAXES

The Highway District is exempt from Federal and State income taxes.

Note 9: SUBSEQUENT EVENTS

Per a review of subsequent events, and inquires of management, there were no events, occurring after the date of the financial statements and through the date of the auditor's reports that have a material effect on the financial statements.

Note 10: PENSION PLAN

Plan Description

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

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

Pension Benefits:

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

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

Note 10: PENSION PLAN...Continued

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation 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) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024 it was 7.16%. The employer contribution rate is set by the Retirement Board and was 11.94% of covered compensation. The District's contributions were $38,931 for the year ended September 30, 2024 , and $34,349 for the year ended September 30, 2023.

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

At September 30, 2024 , the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District'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, 2024 the District's proportion was 0.0000710562 percent and at June 30, 2023 the District's proportion was 0.0000676590 percent.

For the year ended September 30, 2024 , the District recognized pension expense of $9,927, employer contributions subsequent to the measurement date. At September 30, 2024 , the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,317	
Changes in assumptions or other inputs	10,529	
Net difference between projected and actual earnings on pension plan investments		4,825
Employer contributions subsequent to the measurement date	9,927	
Total	$ 62,773	$ 4,825

Note 10: PENSION PLAN...Continued

The amount of $9,927 reported as deferred outflows of resources related to pensions resulting from District contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending September 30, 2024 .

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) was determined at July 1, 2024 the beginning of the measurement period ended June 30, 2024 is 4.6 years for the measurement period ended June 30, 2024.

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

Year Ended:		
9/30/2025	$	16,044
9/30/2026		49,559
9/30/2027		(8,547)
9/30/2028		(6,109)

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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Note 10: PENSION PLAN...Continued

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

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Note 10: PENSION PLAN...Continued

Capital Market Assumptions:

Asset Class:	Defined Benefit Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
	100.00%	100.00%

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.35 percent) or 1 percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Murtaugh Highway District's proportionate share of the net pension liability (asset)	$ 505,096	$ 265,796	$ 70,350

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.

Note 11: BUDGETARY INFORMATION

Budgetary-GAAP Reporting Reconciliation

The accompanying Budgetary Comparison Schedules compare the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

Budgetary Policies:

Murtaugh Highway District prepares an annual budget of revenue and expenditures prior to the beginning of each fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the District such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenues are temporary situations and are budgeted going forward so as to utilize the cash in the fund balance for the period most needed.

Murtaugh Highway District
Murtaugh, Idaho
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
as of September 30, 2024
LAST 10 FISCAL YEARS*

	2024	2023	2022
District's portion of the net pension liability	0.0000710562	0.0000676590	0.0000701332
District's proportionate share of the net pension liability (net assets)	$ 265,796	$ 270,005	$ 276,238
District's covered-employee payroll	$ 326,056	$ 287,680	$ 276,566
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	81.52%	93.86%	99.88%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, only those years for which information is available will be presented.

Data reported, is sourced from Idaho PERSI audited reports, and was measured as of June 30, 2023, by PERSI contracted actuaries.

The accompanying notes are an integral part of this statement.

Murtaugh Highway District
Murtaugh, Idaho
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
as of September 30, 2024

LAST 10 FISCAL YEARS*

	2021	2020	2019	2018
District's portion of the net pension liability	0.0000662635	0.0000674080	0.0000574440	0.0000024610
District's proportionate share of the net pension liability (net assets)	$ (5,233)	$ 156,530	$ 65,571	$ 3,630
District's covered-employee payroll	$ 247,286	$ 253,180	$ 195,106	$ 7,915
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	-2.12%	61.83%	33.61%	45.86%
Plan fiduciary net position as a percentage of the total pension liability	100.36%	99.12%	98.87%	91.69%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, only those years for which information is available will be presented.

The accompanying notes are an integral part of this statement.

Murtaugh Highway District
Murtaugh, Idaho
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
PERSI - BASE PLAN
as of September 30, 2024
LAST 10 FISCAL YEARS*

	2024	2023	2022
Statutorily required contribution	$ 38,931	$ 34,349	$ 33,022
Contribution made, in relation to the statutorily required contribution	38,931	34,349	33,022
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered - employee payroll, for the period	$ 326,056	$ 287,680	$ 276,566
Contributions as a percentage of covered-employee payroll	11.94%	11.94%	11.94%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's most recent fiscal year end.

The accompanying notes are an integral part of this statement.

Murtaugh Highway District
Murtaugh, Idaho
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
PERSI - BASE PLAN
as of September 30, 2024

LAST 10 FISCAL YEARS*

	2021	2020	2019	2018
Statutorily required contribution	$ 29,526	$ 28,660	$ 22,086	$ 896
Contribution made, in relation to the statutorily required contribution	29,526	28,660	22,086	896
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered -employee payroll, for the period	$ 247,286	$ 253,180	$ 195,106	$ 7,915
Contributions as a percentage of covered-employee payroll	11.94%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's most recent fiscal year end.

The accompanying notes are an integral part of this statement.

Note 5: LONG TERM LEASE OBLIGATIONS:

Changes During Year:	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024
1. Caterpillar Finance	$ 239,327	$ -	$ (239,327)	$ -
2. DL Evans 01	38,960	-	(12,473)	26,487
3. DL Evans 02	-	69,534	(15,575)	53,959
4. Summit 14862	-	101,995	(20,258)	81,737
5. Summit 14858	-	415,078	(53,560)	361,518
Totals	$ 278,287	$ 586,607	$ (341,193)	$ 523,701

Minimum Lease Pymts: Fiscal Year Ended Sept 30:	**1.** Caterpillar Fin. 160 M3 AWD Grader (4.126%)	**2.** DL Evans 01 2009 Int'l Water Truck (3.99%)	**3.** DL Evans 02 2024 Chevy Pick-up (6%)	**4.** Summit 14862 2024 Caterpillar 289D3 (7.49%)	**5.** Summit 14858 2023 Freightliner & Plow (6.75%)	Totals
2025	$ -	$ 14,042	$ 15,598	$ 20,258	$ 53,560	$ 103,457
2026	-	14,042	15,598	20,258	53,560	103,457
2027	-	-	15,598	20,258	53,560	89,415
2028	-	-	15,486	20,258	53,560	89,304
2029	-	-	-	20,258	250,000	270,258
	-	28,084	62,279	101,290	464,239	655,892
Less amount representing Interest	-	(1,597)	(8,320)	(19,553)	(102,720)	(132,190)
Principal to be Paid	$ -	$ 26,487	$ 53,959	$ 81,737	$ 361,518	$ 523,702
Current	$ -	$ 12,980	$ 11,426	$ 14,034	$ 49,902	$ 88,341
Long-term	-	13,507	42,533	67,704	311,616	435,360
Tl. Princ. to be paid	$ -	$ 26,487	$ 53,959	$ 81,737	$ 361,518	$ 523,701

Five year amortization of the net present value is as follows:

Fiscal Year Ended Sept 30:	**1.** Caterpillar Fin. 160 M3 AWD Grader (4.126%)	**2.** DL Evans 01 2009 Int'l Water Truck (3.99%)	**3.** DL Evans 02 2024 Chevy Pick-up (6%)	**4.** Summit 14862 2024 Caterpillar 289D3 (7.49%)	**5.** Summit 14858 2023 Freightliner & Plow (6.75%)	Totals
2025	$ -	$ 12,980	$ 12,360	$ 14,034	$ 28,750	$ 39,374
2026	-	13,507	13,102	15,116	30,786	41,725
2027	-	-	13,888	16,264	32,893	30,152
2028	-	-	14,610	17,499	35,144	32,109
2029	-	-	-	18,824	233,945	-
	$ -	$ 26,487	$ 53,959	$ 81,738	$ 361,518	$ 523,702

Martin CPAs, PC

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REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Murtaugh Highway District
Murtaugh, Idaho 83344

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Murtaugh Highway District as of and for the years ended September 30, 2024 , which collectively comprise the Murtaugh Highway District's basic financial statements and have issued our report thereon dated January 11, 2025. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Highway District's internal control over financial reporting as a basis for designing our auditing procedures 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 Highway District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Highway District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Highway District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Highway District's financial statements that is more than inconsequential will not be prevented or detected by the Highway District's internal controls. We considered the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Highway District's internal controls.

Our consideration of the internal controls over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Highway District's financial statements are free of 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

This report is intended solely for the information and use of management, the Murtaugh Highway Board of Commissioners, others within the Highway District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Martin CPAs, PC
Twin Falls, Idaho 83301

January 11, 2025

MURTAUGH HIGHWAY DISTRICT

Schedule of Findings

For the Year Ended September 30, 2024

For the year ended September 30, 2024 there were no reportable findings.

SUPPLEMENTAL INFORMATION

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REPORT OF INDEPENDENT AUDITOR

ON SUPPLEMENTAL INFORMATION

Board of Commissioners
Murtaugh Highway District
Murtaugh, Idaho 83344

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole of Murtaugh Highway District for the years ended September 30, 2024 , presented in the preceding section of this report thereon dated January 11, 2025. The supplemental information presented is presented for the purposes of additional analysis, and is not required as a part of the general purpose financial statements of Murtaugh Highway District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements as a whole.



Martin CPAs, PC

Twin Falls, Idaho
January 11, 2025