

CITY OF MCCAMMON, IDAHO

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of McCammon, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of City of McCammon, Idaho as of and for the year ended September 30, 2024, and related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of McCammon 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

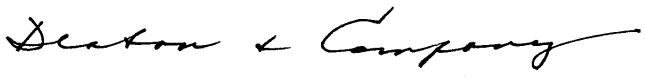
City of McCammon has omitted the required Management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements,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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of McCammon's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards 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 March 12, 2025, on our consideration of City of McCammon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of McCammon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of McCammon's internal control over financial reporting and compliance.



Pocatello, Idaho
March 12, 2025

FINANCIAL STATEMENTS

CITY OF MCCAMMON, IDAHO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,721,118	$ 545,250	$ 2,266,368
Property taxes receivable	8,698	-	8,698
Intergovernmental receivables	41,763	-	41,763
Accounts receivables	10,658	39,627	50,285
Interest receivables	9,016		9,016
Grant receivable	809,261	-	809,261
Prepaid expenses	183,448	-	183,448
Restricted assets			
Restricted cash and cash equivalents	-	74,697	74,697
Capital assets not being depreciated:			
Land	56,309	172,647	228,956
Construction in progress	2,240,509	-	2,240,509
Capital assets net of accumulated depreciation:			
Property and equipment	824,786	3,198,927	4,023,713
	5,905,566	4,031,148	9,936,714
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows - pension	22,492	10,582	33,074
LIABILITIES			
Accounts payable	812,767	3,059	815,826
Accrued wages and taxes	-	-	-
Deposits payable	4,938	47,078	52,016
Accrued interest payable	-	13,400	13,400
Compensated absences	5,113	2,406	7,519
Bonds leases and notes payable - current portion	22,262	55,199	77,461
Noncurrent liabilities:			
Net pension liability	102,072	48,020	150,092
Due in more than one year	1,324,616	721,839	2,046,455
	2,271,768	891,001	3,162,769
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - pension	-	-	-
NET POSITION			
Net investment in capital assets	3,099,342	2,642,556	5,741,898
Restricted for debt services	-	74,697	74,697
Unrestricted	556,948	433,476	990,424
TOTAL NET POSITION	$ 3,656,290	$ 3,150,729	$ 6,807,019

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues		
	Expenses	Charges for Services	Capital and Operating Grants	2024 (Expense) Revenue
GOVERNMENTAL ACTIVITIES				
General government	$ 356,218	$ 68,282	$ -	$ (287,936)
Highways and streets	160,200	-	-	(160,200)
Parks and recreation	22,610	1,250		(21,360)
Public safety	61,364	-	2,151,606	2,090,242
	600,392	69,532	2,151,606	1,620,746
BUSINESS-TYPE ACTIVITIES				
Water	541,594	211,641	310,180	(19,773)
Sewer	282,200	239,962	111,052	68,814
	823,794	451,603	421,232	49,041
	$ 1,424,186	$ 521,135	$ 2,572,838	$ 1,669,787

CHANGES IN NET POSITION

	Governmental Activities	Business-type Activities	2024
Net (expense) revenue	$ 1,620,746	$ 49,041	$ 1,669,787
General revenues			
General property taxes	269,042	-	269,042
Franchise fees	23,042	-	23,042
License, fines and other fees	38,139	-	38,139
Intergovernmental	223,038	-	223,038
Interest income	76,101	-	76,101
Gain on sales of assets	5,700	-	5,700
Transfers-internal activity	(3,576)	3,576	-
	631,486	3,576	635,062
CHANGE IN NET POSITION	2,252,232	52,617	2,304,849
BEGINNING NET POSITION	1,404,058	3,098,112	4,502,170
ENDING NET POSITION	$ 3,656,290	$ 3,150,729	$ 6,807,019

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	Non-major Street	Non-major Park	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,721,118	$ -	$ -	$ 1,721,118
Property taxes receivable	6,293	1,828	577	8,698
Intergovernmental receivables	31,955	9,808	-	41,763
Other receivables	5,458	5,200	-	10,658
Interest receivables	9,016	-	-	9,016
Grant receivable	809,261	-	-	809,261
Prepaid expenses	183,448	-	-	183,448
Total assets	$ 2,766,549	$ 16,836	$ 577	$ 2,783,962
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 812,373	$ 281	$ 113	$ 812,767
Deposit payable	4,938	-	-	4,938
	817,311	281	113	817,705
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	5,926	1,721	543	8,190
FUND BALANCE				
Nonspendable	183,448	-	-	183,448
Restricted - Streets	-	14,834	-	14,834
Unassigned	1,759,864	-	(79)	1,759,785
	$ 1,943,312	$ 14,834	$ (79)	1,958,067

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation of $752,438.	3,121,604
Long-term compensated absence	(5,113)
Lease obligation	(61,878)
Bond obligation	(1,285,000)
Net pension asset (liability)	(102,072)
Unavailable property tax revenue represents amounts that were not available to fund current expenditures and, therefore, are not reported in the governmental funds	8,190
Deferred outflows - Pension related deferrals	22,492
Deferred inflows - Pension related deferrals	-
Net position of governmental activities	$ 3,656,290

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Non-major Street	Non-major Park	Total Governmental Funds
REVENUES				
Local sources:				
Property taxes	$ 206,295	$ 47,633	$ 15,114	$ 269,042
Franchise fees	23,042	-	-	23,042
Interest earnings	76,101	-	-	76,101
Licenses, fines and other revenues	38,139	-	-	38,139
Local grants and donations	1,000,000	-	-	1,000,000
Fees for services	68,282	-	1,250	69,532
	1,411,859	47,633	16,364	1,475,856
Intergovernmental revenue	114,975	98,063	10,000	223,038
State and federal grants	1,151,606	-	-	1,151,606
	1,266,581	98,063	10,000	1,374,644
	2,678,440	145,696	26,364	2,850,500
EXPENDITURES				
General government	329,479	-	-	329,479
Highway and streets	-	102,885	-	102,885
Parks and recreation	-	-	17,692	17,692
Public safety	55,279	-		55,279
Debt service:				
Interest	366	4,689	183	5,238
Principal	4,377	25,498	2,189	32,064
Capital outlays	2,240,509	21,666	-	2,262,175
	2,630,010	154,738	20,064	2,804,812
EXCESS REVENUES (EXPENDITURES)	48,430	(9,042)	6,300	45,688
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	500	5,200	-	5,700
Proceeds from lease	-	21,666	-	21,666
Proceeds from debt	1,285,000	-	-	1,285,000
Transfers in (out)	(23,176)	6,369	13,231	(3,576)
	1,262,324	33,235	13,231	1,308,790
NET CHANGE IN FUND BALANCES	1,310,754	24,193	19,531	1,354,478
BEGINNING FUND BALANCE	632,558	(9,359)	(19,610)	603,589
ENDING FUND BALANCE	$ 1,943,312	$ 14,834	$ (79)	$ 1,958,067

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Total Governmental
Net change in fund balances-total governmental funds	$ 1,354,478
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay	2,262,175
Depreciation expense	(71,500)
	2,190,675
Some revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after yearend. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. Because of the "availability" criterion under the modified accrual basis of accounting the following has been reported as unavailable:	
Property Taxes	-
Governmental funds report principal repayment on debt as an expenditure and debt issuance as an other financing source. However, in the statement of activities debt payments are not an expense and debt issuance is not a revenue	(1,292,902)
Some expenses 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.	
Long-term uncompensated absence	(2,915)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Pension expense in excess of contributions	2,896
Change in Net Position of Government Activities	$ 2,252,232

The notes to the financial statements are an integral part of this statement

CITY OF MCCAMMON, IDAHO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 429,449	$ 115,801	$ 545,250
Utilities receivable	17,382	22,245	39,627
	446,831	138,046	584,877
Non-current assets:			
Restricted assets			
Cash and cash equivalents	16,885	57,812	74,697
Capital assets:			
Land	2,000	170,647	172,647
Property and equipment	1,734,221	3,668,459	5,402,680
Less accumulated depreciation	(790,829)	(1,412,924)	(2,203,753)
	962,277	2,426,182	3,371,574
	1,409,108	2,622,040	4,031,148
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows - pension	7,275	3,307	10,582
LIABILITIES			
Current liabilities:			
Accounts payable	1,220	1,839	3,059
Deposits payable	25,063	22,015	47,078
Interest payable	2,042	11,358	13,400
Compensated absences	1,654	752	2,406
Due to water fund			
Notes leases and bonds payable within one year	17,472	37,727	55,199
	47,451	73,691	121,142
Non-current liabilities:			
Net pension liability	33,015	15,005	48,020
Notes leases and bonds payable	208,162	513,677	721,839
	241,177	528,682	769,859
	288,628	602,373	891,001
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - pension	-	-	-
NET POSITION			
Net investment in capital assets	735,230	1,704,131	2,439,361
Restricted for debt service	16,885	57,812	74,697
Unrestricted	375,640	261,031	636,671
	$ 1,127,755	$ 2,022,974	$ 3,150,729

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services	$ 211,641	$ 239,962	$ 451,603
OPERATING EXPENSES			
Salaries and benefits	54,145	24,657	78,802
Telephone and power	3,757	9,565	13,322
Supplies	12,598	6,071	18,669
Repairs and maintenance	9,110	24,002	33,112
Professional services	32,683	7,516	40,199
Water study and special projects	330,572	87,506	418,078
Insurance	2,373	2,588	4,961
Depreciation	68,722	96,864	165,586
	513,960	258,769	772,729
OPERATING INCOME (LOSS)	(302,319)	(18,807)	(321,126)
NON-OPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of assets	(20,670)	-	(20,670)
Intergovernmental grants	310,180	111,052	421,232
Interest expense - debt service	(6,964)	(23,431)	(30,395)
Transfers in (out)	(1,182)	4,758	3,576
	281,364	92,379	373,743
CHANGE IN NET POSITION	(20,955)	73,572	52,617
BEGINNING NET POSITION	1,148,710	1,949,402	3,098,112
ENDING NET POSITION	$ 1,127,755	$ 2,022,974	$ 3,150,729

The notes to the financial statements are an integral part of this statement.

CITY OF MCCAMMON, IDAHO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 210,091	$ 239,184	$ 449,275
Cash paid to employees	(54,087)	(24,615)	(78,702)
Cash paid to suppliers	(390,722)	(135,780)	(526,502)
Net cash provided by operating activities	(234,718)	78,789	(155,929)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from grant	310,180	111,052	421,232
Loans to/from other funds	17,865	(17,865)	
Transfers (to) from other funds	(1,182)	4,758	3,576
Net cash provided by noncapital financing activities	326,863	97,945	424,808
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	21,667	21,667	43,334
Purchases of capital assets	(21,667)	(21,667)	(43,334)
Principal paid on obligations	(19,267)	(37,502)	(56,769)
Interest paid on debt services	(6,596)	(23,431)	(30,027)
Net cash used in capital and related financing activities	(25,863)	(60,933)	(86,796)
NET INCREASE IN CASH	66,282	115,801	182,083
BEGINNING CASH AND CASH EQUIVALENTS	380,052	57,812	437,864
ENDING CASH AND CASH EQUIVALENTS	$ 446,334	$ 173,613	$ 619,947
PRESENTED IN FINANCIALS AS			
Cash and cash equivalents	$ 429,449	$ 115,801	$ 545,250
Restricted assets - cash	16,885	57,812	74,697
	$ 446,334	$ 173,613	$ 619,947
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net income	$ (302,319)	$ (18,807)	$ (321,126)
Depreciation	68,722	96,864	165,586
Pension deferrals-net	(937)	(427)	(1,364)
(Increase) decrease in assets			
Accounts receivable	(1,550)	(778)	(2,328)
(Decrease) increase in liabilities			
Accounts payable	(767)	1,468	701
Compensated absences	995	469	1,464
Total adjustments	66,463	97,596	164,059
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (235,856)	$ 78,789	$ (157,067)

Noncash Transactions: The water and sewer funds acquired equipment through a lease payable in the amount of $43,334.

The notes to the financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the City of McCammon have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationship, regardless of whether the government is able to exercise oversight responsibilities. The reporting entity has no component units.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. All governmental and proprietary funds are considered to be major funds.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Fund Types

General Fund

The General Fund is the general operating fund of the City. All financial resources, except for those required to be accounted for in another fund, are accounted for in the General Fund.

Street Fund

The Street Fund accounts for the resources accumulated and payments made for street and bridge maintenance. The major revenue sources are property taxes, and highway user fees.

Park Fund

The Park Fund accounts for the resources accumulated and payments made for parks and recreation activities. The major revenue sources are local property taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING (CONTINUED)

Proprietary Fund Types

Water Fund

The Water Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis are financed through user charges.

Sewer Fund

The Sewer Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing sewer services to the general public on a continuing basis are financed through user charges.

C. BASIS OF PRESENTATION

Government-wide Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: Governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type.

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payment to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fine and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports unavailable revenue on its governmental balance sheet. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unavailable revenue is removed from the combined balance sheet and revenue is recognized.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, time certificates of deposits and U.S. Treasury Bills. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. For purposes of the statement of cash flows, the proprietary fund types considers all highly liquid investments within a maturity of three months or less when purchased, or time certificates of deposit redeemable on demand with no penalty, to be cash equivalents.

F. PROPERTY, PLANT AND EQUIPMENT

The accounting treatment for property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets when individual cost of the asset was more than $5,000 and estimated useful life of more than one year. All fixed assets are valued at historical costs, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to September 30, 2004.

Depreciation of all exhaustible fixed assets is recorded as allocated expenses in the Statement of Activities, with accumulated depreciation reflected in the Statement of Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	40 years
Buildings and improvements	20-40 years
Vehicles and rolling stock	5-10 years
Furniture and equipment	5-10 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Each month the City prepares a financial report that reflects the actual and budgeted financial data. A strict purchase order system is used in controlling and maintaining expenditures within budget categories. This data is reviewed by the City Council. The City does not use the encumbrance method of accounting.

H. COMPENSATED ABSENCES

Full-time, permanent employees who have completed the equivalent of 12 months of full-time employment accrues vacation leave at the rate of 40 hours after 1 year of service; 80 hours for service from 2 to 4 years; 120 hours from 5 to 9 years; 160 hours for 10 years or more of service. Employees are entitled to be paid for their unused accrued paid time off up to 240 hours upon termination.

The estimated current portion of the liability, for vested paid time off benefits attributable to the City's governmental funds, is recorded as an expenditure and a liability in the respective funds. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. RECLASSIFICATION

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement presentation.

K. RESTRICTED ASSETS

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

L. FUND BALANCE

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable items- This category includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. This includes inventories and prepaid items.

Restricted items - This category includes resources where limitations are imposed by external entities, such as grantors and creditors, or to comply with laws and regulations of governments.

Committed items- This category includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority for the City. Commitments may be changed or lifted only by the Council taking the same formal action that imposed the constraint originally.

Assigned items- Assigned items represent the City's intent to use certain resources for specific purposes. The City Council may establish the intended use of these funds for a designated purpose.

Unassigned items - Represents the remainder of the City's equity in governmental fund-type balances in excess of the aforementioned classifications.

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

M. PENSIONS

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

NOTE 2 - TAX RECEIVABLES

Property taxes are billed to taxpayers in November of each year. One half of the taxes became payable on December 20, and one half of the taxes became payable on June 20.

Property taxes attach as an enforceable lien as of December 20 following the levy in August. Therefore, no amount has been set aside for an allowance for doubtful accounts. Property taxes collected after December 1, of the subsequent year, are classified as deferred revenue.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities				
Capital assets, not depreciated				
Land	$ 74,609	$ -	$ 18,300	$ 56,309
Construction in progress	-	2,240,509	-	2,240,509
	74,609	2,240,509	18,300	2,296,818
Capital assets, depreciated				
Buildings and improvements	377,954	-	-	377,954
Infrastructure	771,524	-	-	771,524
Vehicles and rolling stock	178,991	21,666	18,500	182,157
Furniture and equipment	269,369	-	23,780	245,589
Total capital assets, depreciated	1,597,838	21,666	42,280	1,577,224
Less accumulated depreciation	723,218	71,500	42,280	752,438
Total capital assets, net of depreciation	874,620	(49,834)	-	824,786
	$ 949,229	$ 2,190,675	$ 18,300	$ 3,121,604

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not depreciated				
Land	$ 172,647	$ -	$ -	$ 172,647
	172,647	-	-	172,647
Capital assets, depreciated				
Distribution system	5,433,028	-	155,732	5,277,296
Vehicles and rolling stock	96,376	43,334	14,326	125,384
Total capital assets, depreciated	5,529,404	43,334	170,058	5,402,680
Less accumulated depreciation	2,187,555	165,586	149,388	2,203,753
Total capital assets, net of depreciation	3,341,849	(122,252)	20,670	3,198,927
	$ 3,514,496	$ (122,252)	$ 20,670	$ 3,371,574

For the fiscal year ended September 30, 2024, depreciation expense on capital assets was charged to the governmental functions in the government-wide statements as follows:

General government	$ 8,054
Public safety	6,085
Highways and streets	52,626
Parks and recreation	4,735
	$ 71,500

NOTE 4 - RESTRICTED CASH

As per terms of the 2006 Revenue Bond Issue, the City has agreed to deposit in a separate account an amount equal to one-tenth of an annual payment of principal and interest every year until one annual payment of principal and interest is restricted. This money will be retained in reserve until the Bond is retired. As of September 30, 2024, the required reserve amount is $57,812. The City is in compliance with this Bond requirement.

As per terms of the 2016 DEQ loan, the City has agreed to deposit in a separate account an amount equal to one-tenth of an annual payment of principal and interest every year until one annual payment of principal and interest is restricted. This money will be retained in reserve until the Bond is retired. As of September 30, 2024, the required reserve amount is $16,885. The City is in compliance with this requirement.

NOTE 5 - LONG TERM DEBT

Capital leases
The assets acquired through a capital lease are as follows:

	Government-wide	Business-Type	Total
Assets:			
Machinery and equipment	$ 139,766	$ 43,334	$ 183,100
Less: Accumulated Depreciation	(53,603)	(1,806)	(55,409)
	$ 86,163	$ 41,528	$ 127,691

The future minimum lease obligations and the net present value of these minimum lease payments for the year ended, were as follows:

	Government-wide	Business-Type	Total
Total minimum lease payments	$ 61,879	$ 33,818	$ 95,697
Less current portion	22,262	5,262	27,524
	$ 39,617	$ 28,556	$ 68,173

Government Wide

	Balance
The City has entered into a loan agreement with the USDA in the amount of $1,285,000. The term of the agreement includes annual payments over a period of 30 years beginning the year after closing.	$ 1,285,000

Water Fund

	Balance
The City financed its 12th Street waterline improvement using money available from the DEQ. The total amount borrowed was $313,951. Terms of the note included annual payments with interest on the outstanding principal at the rate of 3.00% per annum. Principal and interest shall be paid in equal annual installments of $21,106.	$ 208,825

Year Ending September 30	Principal	Interest	Total
2025	$ 14,841	$ 6,265	$ 21,106
2026	15,286	5,820	21,106
2027	15,745	5,361	21,106
2028	16.217	4.889	21.106
2029	16,704	4,402	21,106
2030-2034	91,343	14,187	105,530
2035-2036	38,689	3,523	42,212
	$ 208,825	$ 44,447	$ 253,272

NOTE 5 - LONG TERM DEBT (CONTINUED)

Sewer Fund

The City upgraded its waste water treatment facility. Funding for this project consisted of: 1) a Federal Stag grant of $482,000; 2) a USDA Rural Development Block grant of $700,000; 3) an Idaho Community Development Block Grant of $500,000; and 4) Local Bonds in the amount of $970,000. The terms of the bond, includes annual payments with interest on the outstanding principal amounts at the rate of 4.25% per annum. Principal and interest shall be paid in equal annual installments of $57,812 within forty (40) years from its date. 534,495

Total business-type	$ 743,320

Annual Debt Service Requirements

Year Ending September 30	Principal	Interest	Total
2025	$ 35,096	$ 22,716	$ 57,812
2026	36,588	21,224	57,812
2027	38,143	19,669	57,812
2028	39,764	18,048	57,812
2029	41,454	16,358	57,812
2030-2035	235,241	53,819	289,060
2036-2037	108,209	7,415	115,624
	$ 534,495	$ 159,249	$ 693,744

Transactions in note and bond payables for the year were as follows:

Business Type

	Beginning	Additions	Reductions	Ending	Current
Note Payable DEQ	$ 223,234	$ -	$ 14,409	$ 208,825	$ 14,841
Bond Payable Series 2006	568,160	-	33,665	534,495	35,096
Lease payable	-	43,333	9,516	33,817	5,262
	$ 791,394	$ 43,333	$ 57,590	$ 777,137	$ 55,199

Governmental

	Beginning	Additions	Reductions	Ending	Current
Lease payable	$ 63,522	$ 21,666	$ 23,309	$ 61,879	$ 22,262
Bond anticipation note	-	1,285,000	-	1,285,000	-
	$ 63,522	$ 1,306,666	$ 23,309	$ 1,346,879	$ 22,262

NOTE 6 - DEPOSITS

Deposits at yearend consist of the following:

Deposits	Bank	Book
Cash in bank	$ 2,350,987	$ 2,341,065

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At year end the City had uninsured and uncollateralized deposits of $2,127,289.

NOTE 6 - DEPOSITS (CONTINUED)

Deposit and investment transactions are subject to a variety of risks. The City seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform with legal requirements.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with investment policy, the City manages its exposure to declines in fair value by limiting the average maturity of its investments to one year or less.

Credit Risk is the risk that an issuer or a counter party of an investment will not fulfill its obligations. The certificates of deposit is not subject to custodial credit risk.

NOTE 7 - PENSION ACTIVITY - EMPLOYER REPORTING

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment in any one issuer does not represent a concentrations of total credit risk.

Plan Description

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

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

Pension Benefits

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

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

NOTE 7 - PENSION ACTIVITY - EMPLOYER REPORTING - (CONTINUED)

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024 it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.184% general employees and 13.26% for police and firefighters. The City's contributions were $21,686 for the year ended September 30, 2024.

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

At September 30, 2024, the City 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 City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City's proportion was 0.00401248 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of $41,779. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 23,896	$ -
Changes in assumptions or other inputs	5,946	-
Net difference between projected and actual earnings on pension plan investments	(2,724)	-
City's contributions subsequent to the measurement date	5,956	-
	$ 33,074	$ -

The amount of $5,956 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, 2024.

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 the beginning of the measurement period. The amortization of the net difference between projected and actual investments earning on pension plan investments is amortized over a closed 5-year period inclusive of this fiscal year.

NOTE 7 - PENSION ACTIVITY - EMPLOYER REPORTING - (CONTINUED)

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 ending September 30,	
2025	$ 7,409
2026	27,985
2027	(4,826)
2028	(3,450)
2029	-

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 including inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

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%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%. 5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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.

NOTE 7 - PENSION ACTIVITY - EMPLOYER REPORTING - (CONTINUED)

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. 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. 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 6.35 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 or 1-percentage-point higher than the current rate:

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
Employer's proportionate share of the net pension liability (asset)	$ 285,223	$ 150,093	$ 39,726

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.

NOTE 7 - PENSION ACTIVITY - EMPLOYER REPORTING - (CONTINUED)

Payables to the pension plan

At year end, the City reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 8 - DEFECIT FUND BALANCE

The Park fund has a deficit balance of $79.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 12, 2025, the date the financial statements were available to be issued.

NOTE 10 - TAX ABATEMENTS

During the year, the City was not aware of any tax abatements that would affect the City's property tax levy.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MCCAMMON, IDAHO
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance
REVENUES				
Local sources:				
Property taxes	$ 193,000	$ 193,000	$ 206,295	$ 13,295
Franchise fees	20,000	20,000	23,042	3,042
Interest earnings	17,500	17,500	76,101	58,601
Licenses, fines and other revenues	7,075	7,075	38,139	31,064
Local grants and donations	1,000,000	1,000,000	1,000,000	-
Fees for services	73,000	73,000	68,282	(4,718)
	1,310,575	1,310,575	1,411,859	101,284
Intergovernmental revenue	91,165	91,165	114,975	23,810
State and federal grants	1,340,000	1,340,000	1,151,606	(188,394)
	1,431,165	1,431,165	1,266,581	(164,584)
	2,741,740	2,741,740	2,678,440	(63,300)
EXPENDITURES				
General government	266,152	266,152	329,479	(63,327)
Public safety	94,236	94,236	55,279	38,957
Debt services:				
Interest	-	-	366	(366)
Principal	-	-	4,377	(4,377)
Capital outlays	4,000,000	4,000,000	2,240,509	1,759,491
	4,360,388	4,360,388	2,630,010	1,730,378
EXCESS REVENUES (EXPENDITURES)	(1,618,648)	(1,618,648)	48,430	1,667,078
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	500	500
Proceeds from debt	1,285,000	1,285,000	1,285,000	-
Transfers out	-	-	(23,176)	(23,176)
	1,285,000	1,285,000	1,262,324	(22,676)
NET CHANGE IN FUND BALANCES	$ (333,648)	$ (333,648)	1,310,754	$ 1,644,402
BEGINNING FUND BALANCES			632,558	
ENDING FUND BALANCES			$ 1,943,312	

CITY OF MCCAMMON, IDAHO
SEPTEMBER 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.0040125%	0.0048740%	0.0047250%	0.0045610%	0.0047520%	0.0048100%	0.0049550%	0.0046050%	0.0048470%	0.0048900%
Employer's proportionate share of the net pension liability (asset)	$ 150,092	$ 194,495	$ 186,119	$ (3,603)	$ 110,336	$ 54,906	$ 73,080	$ 72,383	$ 98,254	$ 64,391
Employer's covered-employee payroll	$ 224,830	$ 212,860	$ 177,645	$ 170,224	$ 171,150	$ 165,491	$ 155,448	$ 146,288	$ 143,353	$ 138,197
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	66.76%	91.37%	104.77%	-2.12%	64.47%	33.18%	47.01%	49.48%	68.54%	46.59%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table.

Data reported is measured as of June 30, 2024

Schedule of Employer Contributions
PERSI – Base Plan
Last 10 - Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 21,686	$ 21,286	$ 21,881	$ 18,010	$ 18,642	$ 18,405	$ 19,240	$ 15,529	$ 14,408	$ 15,995
Contributions in relation to the statutorily required contribution	21,286	21,286	21,881	18,010	18,642	18,405	19,240	15,529	14,408	15,708
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 219,705	$ 212,860	$ 177,645	$ 170,224	$ 171,150	$ 165,513	$ 15	$ 137,182	$ 127,279	$ 138,763
Contributions as a percentage of covered-employee payroll	11.18%	11.18%	12.32%	10.58%	10.89%	11.12%	11.32%	11.32%	11.32%	11.32%

* 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 District will present information for those use for which information is available.

Data reported is measured as of September 30, 2024

NOTE 1 - EXPENDITURES IN EXCESS OF BUDGET

Expenditures in Excess of Budget

During the year the City did not budget sufficient funds for general government, interest and principal expenditures.

These under funded balances were paid using excess funds from unused budget amounts from other departments or classes.

CITY OF MCCAMMON, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FEDERAL GRANTOR/PASS – THROUGH GRANTOR	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipient
Grant Awards				
UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)				
Water and Environmental Programs (WEP)	10.760		$ 1,285,000	-
CDF Grant Water and Environmental Programs (WEP)	10.760		806,261	-
			2,091,261	-
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grant (CDBG)	14.228		134,703	-
			134,703	-
DEPARTMENT OF THE TREASURY				
Passed through Idaho Department of Environmental Quality				
Coronavirus State and Local Fiscal Recovery Funds COVID-19	21.027	N23002	310,181	-
	21.027	N23002	111,051	-
			421,232	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,647,196	$ -

CITY OF MCCAMMON, IDAHO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDRAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of McCammon under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of McCammon, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of McCammon.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COST RATE

The City of McCammon has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance when applicable.

NOTE D - SUBRECIPIENTS

The City did not pass through any grant funds to subrecipients.

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

To the Mayor and City Council of
City of McCammon, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of McCammon, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of McCammon's basic financial statements and have issued our report thereon dated March 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of McCammon'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 City of McCammon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of McCammon's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency [2024-001].

Report on Compliance and Other Matters

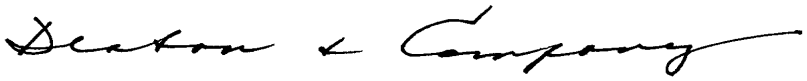
As part of obtaining reasonable assurance about whether City of McCammon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 did not disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards.

City of McCammon's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of McCammon's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of McCammon's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pocatello, Idaho
March 12, 2025

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

To the City Council
City of McCammon, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of McCammon's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have direct and material effect on each of City of McCammon's major federal programs for the year ended September 30, 2024. City of McCammon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of McCammon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of McCammon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of McCammon's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of McCammon's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of McCammon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of McCammon's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of McCammon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of McCammon's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of McCammon's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on City of McCammon's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of McCammon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Deaton & Company

Pocatello, Idaho
March 12, 2025

CITY OF MCCAMMON, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

SUMMARY OF AUDITOR RESULTS

1) The auditor's report expresses an unmodified opinion on whether the financial statements of City of McCammon were prepared in accordance with GAAP.

2) One material weakness was disclosed during the audit of the financial statements and is reported in the report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

3) No instance of noncompliance material to the financial statements of City of McCammon, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4) One material weaknesses in internal control over major federal award programs disclosed during the audit is reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.

5) The auditor's report on compliance for the major federal award programs for City of McCammon expresses an unmodified opinion on all major federal programs.

6) Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7) The program tested as a major programs was US Department of Agriculture 10.760 Water and Environmental Programs (WEP).

8) The threshold used for distinguishing between Type A and B programs was $750,000.

9) City of McCammon was determined to be a high-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESS

2024-001 (As reported below)

CITY OF MCCAMMON, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

MATERIAL WEAKNESS

2024-001 - Recording and Reporting

Condition: Transactions from the use of federal loans from US Department of Agriculture were not recorded or included in the reporting of financial transactions during the year.

Criteria: City of McCammon's management is responsible to ensure controls are appropriate to record and report all financial transactions on a timely basis.

Cause: During the audit period, the City's third party administrator over accounting services retired and a new accountant was not obtained through the end of the fiscal year. During this period transactions were tracked and documented by a third party grant administrator but the transactions were not recorded or reported in the City's financial system.

Effect: Because the federal loan transactions, used to build a City's asset, were not recorded, both liabilities and assets were understated on the City's books. Once the omission of these transactions were discovered during the audit, management approved the adjustments.

Recommendation: We recommend the City review its internal controls and procedures to ensure all financial transactions are recorded to the city's general ledger and other required reports within a timely manner.

View of Responsible Officials and Planned Corrective Actions: City of McCammon will review its internal controls and procedures to ensure all financial transactions are recorded to the city's general ledger and other required reports within a timely manner.

CITY OF MCCAMMON, IDAHO
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

FINDINGS - FINANCIAL STATEMENTS AUDIT
NONE NOTED

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT
N/A

City of McCammon
P. O. Box 9 • McCammon, ID 83250-0009
208-254-3200 • Fax 208-254-3844

CORRECTIVE ACTION PLAN

March 12, 2025

City of McCammon respectfully submits the following corrective action plan for the year ended September 30 2024.

Deaton & Company, Chartered
215 North 9th
Pocatello, ID 83201

Audit Period:
The findings from the September 30, 2024 schedule of findings and questioned costs are discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

MATERIAL WEAKNESS

2024-001 - Recording and Reporting

Condition: Transactions from the use of federal loans from US Department of Agriculture were not recorded or included in the reporting of financial transactions during the year.

Criteria: City of McCammon's management is responsible to ensure controls are appropriate to record and report all financial transactions on a timely basis.

Cause: During the audit period, the City's third-party administrator over accounting services retired and a new accountant was not obtained through the end of the fiscal year. During this period transactions were tracked and documented by a third-party grant administrator but the transactions were not recorded or reported in the City's financial system.

Effect: Because the federal loan transactions, used to build a City's asset, were not recorded, both liabilities and assets were understated on the City's books. Once the omission of these transactions were discovered during the audit, management approved the adjustments.

View of Responsible Officials and Planned Corrective Actions: City of McCammon will review its internal controls and procedures to ensure all financial transactions are recorded to the city's general ledger and other required

Action Taken: We concur with the recommendations. We will communicate with our grant administrators and our new accountant to ensure financial transactions are recorded accurately. The necessary adjustments and entries will be made no later than April 12, 2025.

If the federal agency has questions regarding this plan, please call Kassadi Dunn, City Clerk, at 208-254-3200.

Sincerely yours,

Karlene Hall

Karlene Hall
Mayor