CITY OF MURTAUGH

Report on Audited
Basic Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Martin CPAs, PC

963-A Blue Lakes Blvd Twin Falls, Idaho 83301 * Phone (208)737-0844 Fax (208)737-0888 email johnmartincpa@gmail.com

CITY OF MURTAUGH

Basic Financial Statements

For the Year Ended September 30, 2024

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	2
FINANCIAL SECTION	
Independent Auditor's Report	4-5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet – Government Funds	8
Reconciliation of Total Government Fund Balances to the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes In Fund Balance – Government Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund	12
Statement of Net Position – Proprietary Funds	13
Statement of Revenues, Expenses, and Changes In Fund Net Position – Proprietary Funds	14
Statement of Cash Flows – Proprietary Funds	15
Notes to Financial Statements	16-22
Independent Auditor's Report on Compliance and Internal Controls and Other Matters	23-24
Schedule of Findings and Responses	25
Graphics: Funding Sources and Expenditures	26

FINANCIAL SECTION

Martin CPAs, PC

963-A Blue Lakes Blvd Twin Falls, Idaho 83301 * Phone (208)737-0844 Fax (208)737-0888 email johnmartincpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

Mayor Hunsaker and City Council
City of Murtaugh, Idaho

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, each major fund, and the aggregate remaining fund information of the City of Murtaugh, 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.

The management‘s discussion and analysis information is not a part of these financial statements. It 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.

Other Reporting Required by Governmental Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated February 6, 2025, on our consideration of the City’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 City’s internal control over financial reporting and compliance.



Martin CPAs, PC
Twin Falls, Idaho 83301

February 6, 2025

CITY OF MURTAUGH

Statement of Net Position
September 30, 2024

	Governmental Activities	Business Type Activities	Totals
ASSETS			
Cash and Investments	$ 367,025	$ 396,918	$ 763,943
Receivables (Net of allowances):			
Property Taxes	4,060	-	4,060
Customer Accounts –Note 2	-	(2,055)	(2,055)
Prepaid Expenses	-	-	-
Interfund Receivable	22,000		22,000
Restricted Assets:			
Cash – Note 5		5,000	5,000
Capital Assets – Note 4			
Land	3,000	76,380	79,380
Other Capital Assets, Net of			-
Depreciation	754,774	1,126,120	1,880,894
Total assets	1,150,859	1,602,363	2,753,222
LIABILITIES			
Accounts Payable	1,540	-	1,540
Accrued Liabilities	1,782	-	1,782
Customer Deposits	-	-	-
Interfund Payable	-	22,000	22,000
Long-term Liabilities – Note 6		-	
Due within one year	-	5,000	5,000
Due in more than one year	-	37,500	37,500
Total liabilities	3,322	64,500	67,822
NET POSITION:			
Invested in Capital Assets, net of			
Related debt	757,774	1,160,000	1,917,774
Unrestricted General Fund	381,263	-	381,263
Restricted for:		-	
Debt Service – Note 5		5,000	5,000
Streets	8,500	-	8,500
Water Services-Unrestricted		(98,835)	(98,835)
Sewer Services-Unrestricted	-	471,698	471,698
Total Net Position	$ 1,147,537	$ 1,537,863	$ 2,685,400

See accompanying notes to financial statements.

City of Murtaugh

Statement of Activities

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Changes in Net Position: Governmental Activities	Changes in Net Position: Business Type Activities	Changes in Net Position: Totals
Governmental Activities:							
General Government	$ 87,515	$ -	$ -	$ 250,000	$ 162,485	$ -	$ 162,485
Streets	7,895				(7,895)		(7,895)
Unallocated Depreciation	17,286	-	-	-	(17,286)	-	(17,286)
Total Governmental Activities	112,696	-	-	250,000	137,304	-	137,304
Business-Type Activities:							
Water	89,741	48,270	-	-	-	(41,471)	$ (41,471)
Sewer	76,523	74,788	-	-	-	(1,735)	$ (1,735)
Total Business-Type Activities	166,264	123,058	-	-	-	(43,206)	(43,206)
Total Activities	$ 278,960	$ 123,058	$ -	$ 250,000	137,304	(43,206)	94,098
		General Revenues:					
		Property Tax Revenues			73,107		73,107
		Interest Earned			37,343	1,556	35,787
		Highway & Street Revenues			29,409	-	29,409
		Liquor Apportionment Revenues			5,163		5,163
		Miscellaneous Income			13,191	-	13,191
		Total General Revenues			158,213	1,556	156,657
		Change in net position			295,517	(41,650)	253,867
		Net Position, Beginning of year			852,020	1,579,513	2,431,533
		Net Position, End of year			$ 1,147,537	$ 1,537,863	$ 2,685,400

See accompanying notes to financial statements.

City of Murtaugh

Balance Sheet
Government Funds
September 30, 2024

	Street Fund	General Fund	Total Gov't Funds
ASSETS			
Cash and temporary investments	$ 20,246	$ 346,779	$ 367,025
Property taxes receivable	406	3,654	4,060
Prepaid expenses		-	-
Due from other Fund	-	22,000	22,000
			-
Total assets	$ 20,652	$ 372,433	$ 393,085
			-
LIABILITIES AND FUND EQUITY			-
Accounts payable	$ -	$ 1,540	$ 1,540
Accrued liabilities		1,782	1,782
Deferred revenues	379	3,415	3,795
Due to other funds	-	-	-
Total liabilities	379	6,737	7,116
			-
Fund Balances			-
Fund balance (reserved)	8,500		8,500
Fund balance (unreserved)	11,773	365,695	377,468
			-
Total fund balances	20,272	365,695	385,968
			-
Total liabilities and fund balances	$ 20,652	$ 372,432	$ 393,084

See accompanying notes to financial statements.

City of Murtaugh

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

September 30, 2024

Total Government Fund Balances	$	385,968
Amounts reported for government activities in the Statement of Net Position is different because:		
Net capital assets used in governmental activities are not Financial resources for fund financial statements and therefore are not reported in the fund Balance Sheet		757,774
Resources deferred in the fund statements But not in Government-wide statements: Deferred Property Taxes		3,795
Net Position of Government Wide Activities	$	1,147,537

See accompanying notes to the financial statements.

City of Murtaugh

Statement of Revenues, Expenditures, and
Changes in Fund Balance

September 30, 2024

	General Fund Major Fund	Street Fund Non-Major Fund	Total Gov't Funds
Revenues:			
Property Taxes	$ 64,568	$ 7,237	$ 71,805
Intergovernmental revenues:			
Liquor apportionment	5,163	-	5,163
Highway & Street revenues	-	12,430	12,430
State revenue sharing	16,979	-	16,979
Interest Earned	37,343	-	37,343
Insurance Proceeds	-	-	-
CDBG Park Grant	250,000	-	250,000
Other revenues	13,191	-	13,191
Total revenues	387,243	19,668	406,911
			-
Expenditures:			-
General government:			-
Administrative expenses	28,823	1,787	30,611
Legal	4,718	-	4,718
Utilities	2,264	2,298	4,562
Salaries, Wages & Payroll Taxes	10,826	-	10,826
Maintenance expense	-	3,317	3,317
Public Safety:		-	
Police	-	-	-
Parks & streets:	-	-	-
Street Lights	-	-	-
Community Events	19,657	-	19,657
Maintenance	20,582	1,138	21,720
Capital expenditures	319,546	-	319,546
Total expenditures	406,416	8,541	414,957
			-
Excess (deficiency) of revenues			-
Over expenditures	(19,172)	11,127	(8,045)
			-
Fund balance – beginning of year	385,513	8,500	394,013
Transfer-in (Transfer-out)	-	-	-
Fund balance – ending of year	$ 366,341	$ 19,627	$ 385,968

See accompanying notes to the financial statements.

City of Murtaugh

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 – Total Governmental Funds		$ (8,045)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay less depreciation expense in the current period:		
Property and Equipment additions	319,546	
Depreciation expense on Government-wide statements but not on the Fund financial statements	(17,286)	
		302,260
		-
Because some revenues will not be collected for several months After the City's fiscal year ends, they are not considered as "available" Revenues in the governmental funds. This is the current year increase (decrease) in deferred revenue.		1,302
Change in Net Position of Government Wide Activities		$ 295,517

See accompanying notes to financial statements.

City of Murtaugh

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund & Street Funds Combined
For the Year Ended September 30, 2024

	Original	Final	Actual	Variance with Final Budget: (Unfavorable)
Revenues:				
Property taxes	$ 66,294	$ 66,294	71,805	$ 5,511
Intergovernmental revenues:				
Liquor Apportionment	5,310	5,310	5,163	(147)
Highway & Street Revenues	11,343	11,343	12,430	1,087
State Revenue Sharing	17,646	17,646	16,979	(667)
CDBG Park Grant	-	250,000	250,000	-
Other revenues	3,937	3,937	13,191	9,254
Interest Earned	3,000	3,000	37,343	34,343
Total revenues	107,530	357,530	406,911	49,381
Expenditures:				
General Government:				
Administrative	18,941	18,941	30,610	(11,669)
Legal	10,000	10,000	4,718	5,282
Utilities	4,000	4,000	4,562	(562)
Salaries, Wages and Benefits	28,000	28,000	10,826	17,174
Maintenance	20,000	20,000	3,317	16,683
Streets & Parks:				
Street Lights	2,700	2,700	-	2,700
. Street Maintenance	32,000	32,000	20,582	11,418
Park Maintenance	15,000	15,000	1,138	13,862
Community Events	11,000	11,000	19,657	(8,657)
Capital expenditures	-	310,000	319,546	(9,546)
Total expenditure	141,641	451,641	414,956	36,685
Excess (deficiency) of revenues Over expenditures	(34,111)	(94,111)	(8,045)	86,066
Fund balance, beginning of year	373,972	373,972	394,013	-
Fund balance, end of year	$ 339,861	$ 279,861	$ 385,968	$ 86,066

See accompanying notes to the financial statements.

CITY OF MURTAUGH

Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities, Enterprise Funds		
	Water Fund	Sewer Fund	Totals
ASSETS			
Cash and Investments	$ 24,521	$ 372,397	$ 396,918
Receivables (Net of allowances):			-
Customer Accounts-Note 2	(1,356)	(699)	(2,055)
Prepaid Expenses			
Due from Other Governments – Note 3	-	-	-
Restricted Assets:			
Cash – Note 5	-	5,000	5,000
Capital Assets – Note 4			
Land	30,260	46,120	76,380
Other Capital Assets, Net of Depreciation	710,383	415,737	1,126,120
Total assets	763,808	838,555	1,602,363
LIABILITIES			
Accounts Payable & Accrued Expenses	-	-	-
Interfund Payable	22,000	-	22,000
Long-term Liabilities – Note 6			
Due in one year	-	5,000	5,000
Due in more than one year	-	37,500	37,500
Total liabilities	22,000	42,500	64,500
NET POSITION			
Invested in Capital Assets, net of Related debt	740,643	419,357	1,160,000
Restricted for:			
Debt Service – Note 5	-	5,000	5,000
Unrestricted	1,165	371,698	372,863
		-	
Total Net Position	$ 741,808	$ 796,055	$ 1,537,863

See accompanying notes to financial statements.

CITY OF MURTAUGH

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2024

	Business-Type Activities, Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Operating revenues			
Charges for services	$ 48,270	$ 74,788	$ 123,058
Operating expenses:			
Salaries & related expenses	7,832	8,372	16,205
Engineering expense	-	26,991	26,991
Repairs, maintenance & supplies	27,928	8,838	36,766
Depreciation	34,040	22,981	57,021
Administrative expense	7,225	5,713	12,938
Utilities expense	12,146	3,628	15,774
Total operating expenses	89,171	76,523	165,694
Operating income (loss)	(40,901)	(1,735)	(42,636)
Non-operating revenues (expenses):			
Interest earnings	389	1,167	1,556
Interest expense	(570)	-	(570)
Other Income, net	(181)	1,167	986
Change in net position	(41,082)	(568)	(41,650)
Transfer Between Funds	100,000	(100,000)	-
Net position – beginning of year	682,889	896,624	1,579,513
Net position – end of year	$ 741,807	$ 796,056	$ 1,537,863

See accompanying notes to the financial statements.

CITY OF MURTAUGH
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2024

	Business-Type Activities, Enterprise Funds		
	Water Fund	Sewer Fund	Totals
Cash flow provided by Operating activities:			
Receipts from customers & users	$ 49,779	$ 75,566	$ 125,345
Receipts from Grant	-	-	-
Payments to vendors	(61,102)	(45,916)	(107,018)
Employment expenses	(7,832)	(8,372)	(16,204)
Net cash provided (used) by Operating activities	(19,155)	21,278	2,123
Cash flows from capital and related Financing activities:			
Cash Transfer Between Funds	100,000	(100,000)	-
Principal paid on Long-term debt	(15,870)	(5,000)	(20,870)
Interest Paid	(570)	-	(570)
Net cash provided (used) by capital and Related Financing activities	83,560	(105,000)	(21,440)
Cash flows from investing activities:			
Capital Equipment Purchased	-	-	-
Interest earned	389	1,167	1,556
Net cash provided (used) by investing Activities	389	1,167	1,556
Net increase in cash	64,794	(82,555)	(17,761)
Cash at the beginning of year	(40,273)	459,952	419,679
Cash at the end of year	$ 24,521	$ 377,397	401,918
Reconciliation of operating income (loss) to net Cash provided (used) by operating activities:			
Operating income (loss)	$ (40,901)	$ (1,735)	$ (42,636)
Depreciation added back	34,040	22,981	57,021
(Increase) decrease in accounts receivable	1,509	778	2,287
Increase (decrease) in payables & accrued liabilities	(13,803)	(746)	(14,549)
Net cash provided (used) by operating activities	$ (19,155)	$ 21,278	$ 2,123

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City 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 City also applies Financial Accounting Standards Board (FASB) statements and interpretations, to its governmental and business-type activities and to its enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The significant accounting policies of the City are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City of Murtaugh. The City is governed by an elected City Council which possesses final decision making authority and is held primarily accountable for those decisions. The City Council 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 City of Murtaugh 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenue for each program or function of the City's governmental activities and for the business-type activities of the City. 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 City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

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. All taxes are reported as general revenues and are dedicated resources. 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 City 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.

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

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, except those required to be accounted for in another fund.

The government reports the following major proprietary funds, under the accrual method of accounting:

The Water fund, which accounts for the operations of providing water to city residents.

The Sewer fund, which accounts for operations that provide sewer services to the residents.

Amounts reported as revenues include charges to customers for services, operating grants and contributions and capital grants and contributions. Water and sewer revenues are pledged as collateral for bond payments, if applicable.

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

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 City is covered under FDIC insurance for this risk. At year end, the City's balances were $64,057 in a pooled checking account.

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.

Credit Risk: The City's policy is to follow Idaho State statutes which authorize investing in obligations of the United States, 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, savings deposits, higher education bonds, and the State Treasurer's Investment Pool. $704,886 was invested with the State Investment pool at year end, earning 5.1599%. $38,899 was earned in interest income for the year.

Deposits together with State Investments (cash) totaling $768,943 as of September 30, 2024 were allocated among the funds as follows:

	Totals	Reserved	Unreserved
General Fund	$ 346,779	$ -	$ 346,779
Street Fund	20,246	-	20,246
Total Gov't Activities	367,025	-	367,025
Water Fund	24,521	-	24,521
Sewer Fund	372,397	5,000	377,397
Total Business Type Activities	396,918	5,000	401,918
Totals	$ 763,943	$ 5,000	$ 768,943

F. Inventory

Inventories at year end, considered to be of an immaterial amount, have not been included on these financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems and similar items acquired subsequent to September 30, 2003) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements according to the modified method. 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. 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

Long-term liabilities consist of bonds, notes, and other indebtedness.

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 City 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, if any, are not a part of these financial statements.

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 City because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

L. 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.

M. Application of Restricted or Unrestricted Resources

The City's Policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 2: ACCOUNTS RECEIVABLE

Accounts receivable, deemed collectible, were as follows at September 30, 2024:

	Water Fund	Sewer Fund	Totals
Totals	$ (1,356)	$ (699)	$ (2,055)

Note 3: DUE FROM OTHER GOVERNMENTS

There were no amounts due from other governments, as of September 30, 2024.

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 9/30/24
Governmental Activities				
Equipment	$ 31,328	$ 250,000	$ -	$ 281,328
Buildings & Imprs.	494,237	69,546		563,783
Land	3,000	-	-	3,000
Total	528,565	319,546	-	848,111
Accumulated Depreciation:				
Equipment	(24,251)	(4,209)		(28,460)
Buildings & Imprs.	(48,800)	(13,077)	-	(61,877)
Total	(73,051)	(17,286)	-	(90,337)
Capital assets, Net	455,514	302,260	-	757,774

Capital assets from Governmental Activities are summarized as follows, at year end:	
Capital assets,	
Land	$ 3,000
Other capital assets,	
Net of depreciation	754,774
Capital assets, Net of Depreciation (Governmental activities)	$ 757,774

Depreciation was charged to functions/programs of the governmental activities as follows:

General Government	$ 17,286

Note 4: CAPITAL ASSETS … continued

	Balance As of 10/1/23	Additions	Deletions	Balance As of 9/30/24
Business Type Activities				
Water Fund				
Equipment	$ 55,718	$ -	$ -	$ 55,718
Buildings & Imprs.	1,310,340			1,310,340
Land	30,260	-	-	30,260
Total	1,396,318	-	-	1,396,318
Accumulated Depreciation:				
Equipment	(43,315)	(1,036)		(44,351)
Buildings & Imprs.	(578,320)	(33,004)	-	(611,324)
Total	(621,635)	(34,040)	-	(655,675)
Capital assets, Net	774,683	(34,040)	-	740,643
Sewer Fund				
Equipment	86,612			86,612
Buildings & Imprs.	709,688	-		709,688
Land	46,120	-	-	46,120
Total	842,420	-	-	842,420
Accumulated Depreciation:				
Equipment	(76,017)	(5,238)		(81,255)
Buildings & Imprs.	(281,565)	(17,743)	-	(299,308)
Total	(357,582)	(22,981)	-	(380,563)
Capital assets, Net	484,838	(22,981)	-	461,857
Capital assets, Net (Business type activities)	$ 1,259,521	$ (57,021)	$ -	$ 1,202,500

Net business type capital assets are summarized as follows, at year end:	
Capital assets, Land	$ 76,380
Other capital assets, Net of depreciation	1,126,120
Capital assets, Net (Business type activities)	$ 1,202,500

All assets are being depreciated using the straight line method over the respective estimated lives described in ***Note 1G***. The City has elected not to retroactively report infrastructure assets, as is allowed for Phase 3 governments. Therefore, only infrastructure assets acquired subsequent to September 30, 2003, the date of the rule change, are reported in the financial statements. Infrastructure assets not reported consist mostly of streets.

Note 5: RESTRICTED CASH

The sewer Bond Ordinance requires that one year's payment be set aside in a reserve account. The Water Bond Ordinance requires that 10% of one year's payment be set aside each year for 10 years.

Note 6: LONG TERM DEBT

Long term liabilities, as of September 30, 2024, consisted of a revolving note of $42,500 zero interest payable to DEQ. A USDA water fund revenue bond was paid off during the year.

(A DEQ Sewer Loan WW1004-5008 was forgiven, upon completion of the project, and the balance of $ 42,500 is being paid back interest free.)

A summary of changes in long-term debt principal was as follows during the year:

	Balance at 10/1/2023	Additions	Reductions	Balance at 9/30/2024
Water Revenue Bond 91-04	$ 15,870		$ (15,870)	-
DEQ Sewer Loan WW1004-5008	47,500	-	(5,000)	42,500
Totals	$ 63,370	$ -	$ (20,870)	42,500
Less current portion				(5,000)
Long term portion				$ 37,500

The following is a schedule of long-term debt payments, interest & principal, from the present time to maturity:

FYE	Water Fund		Sewer Fund		Total Interest & Principal
September 30,	Principal	Interest	Principal	Interest	Scheduled
2025	$ -	$ -	$ 5,000	$ -	$ 5,000
2026	-	-	5,000	-	5,000
2027	-	-	5,000	-	5,000
2028	-	-	5,000	-	5,000
2029	-	-	5,000	-	5,000
2030-2033	-	-	17,500	-	17,500
					$ 42,500
Interest portion		$ -		$ -	$ -
Principal portion	$ -		$ 42,500		$ 42,500

NOTE 7: RISK MANAGEMENT/INSURANCE

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

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 8: 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 9: STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Enterprise Funds consider all checking, savings and certificates of deposit with maturity dates within 90 days to be cash or cash equivalents.

NOTE 10: CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

No contingent liabilities, or subsequent events having a material effect on these financial statements were noted, as of September 30, 2024, and through February 6, 2025.

NOTE 11: INCOME TAXES

The City is exempt from Federal and State income taxes.

NOTE 12: INTEREST EXPENSE

Interest expense in the enterprise fund is for bond interest and has not been capitalized.

NOTE 13: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City of Murtaugh has not contributed to the State Public Employee Retirement plan because City employees were less than half-time; and hence, during the year it was understood that the City did not qualify to be on PERSI.

Martin CPAs, PC

963-A Blue Lakes Blvd Twin Falls, Idaho 83301 * Phone (208)737-0844 Fax (208)737-0888 email johnmartincpa@gmail.com

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

Mayor Hunsaker and City Council

City of Murtaugh, Idaho

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murtaugh, Idaho (the City) as of and for the year ended September 30, 2024, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 6, 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 City'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

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 City'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 City's financial statements that is more than inconsequential will not be prevented or detected by the City'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 City'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. However, we consider the significant deficiency described in item 2024-1 of the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs.

This report is intended solely for the information and use of management, City Council, others within the City, 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

February 6, 2025

City of Murtaugh
SCHEDULE OF FINDINGS AND RESPONSES
For Year Ended September 30, 2024

Finding 2024-1: Lack of segregation of duties

Condition: The City has not been able to have a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is to have a segregation of duties between administration and stewardship of assets.

Effect: The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation: It has been suggested that the City utilize another part-time staff person to assist in accounting duties, including the reconciliation of cash accounts.

Response: City management believes the cost of hiring another person currently outweighs the benefit to be derived, as mitigating controls are currently in place such as the City council's review of all disbursements, two signatures required on all checks, and monthly City council review of financial reports.

CITY OF MURTAUGH

Year Ended September 30, 2024



