CITY OF NEWDALE, IDAHO

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

CITY OF NEWDALE, IDAHO
BASIC FINANCIAL STATEMENTS
TABLE OF CONTENTS
SEPTEMBER 30, 2024

	PAGES
INTRODUCTORY SECTION	
Title Page	
Table of Contents	1
FINANCIAL SECTION	
Independent Auditors' Report	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Major Governmental Funds	8
Statement of Net Postion - Proprietary Fund	9
Statement of Revenues, Expenses and Changes in Fund Net Postion - Proprietary Fund	10
Statement of Cash Flows - Proprietary Fund	11
Notes to the Financial Statements	12 - 22
Independent Auditors' Report on Compliance and Internal Control	23
Required Supplementary Information	26

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Newdale, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Newdale, Idaho (the City), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 Financial Statements section of our report. We are required to be independent of the City 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'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 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.

1655 East 1st Street • Idaho Falls, ID 83401 • (208) 525-8515 • Fax (208) 522-5227

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 the City'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 the City'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer Contributions for the prior ten fiscal years, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 procedure to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2025, on our consideration of the City'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 the City'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 the City's internal control over financial reporting and compliance.

Robt D. Hardy

ROBERT D HARDY, CPA, PC
January 2, 2025

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 149,409	$ 223,524	$ 372,933
Restricted cash	56,737	–	56,737
Investments	–	21,850	21,850
Prepaid expenses	6,986	–	6,986
Receivables	18,016	20,055	38,071
Bond issue costs	–	3,223	3,223
Capital assets (net of accumulated depreciation)			
Infrastructure	8,378	–	8,378
Land and improvements	164,287	377,367	541,654
Buildings and improvements	138,575	3,909	142,484
Improvements other than buildings	–	1,816,551	1,816,551
Machinery and equipment	70,293	54,916	125,209
Furniture and fixtures	175	–	175
Total Assets	$ 612,856	$ 2,521,395	$ 3,134,251
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	17,214	–	17,214
Total Deferred Outflows of Resources	17,214	–	17,214
LIABILITIES			
Accounts payable	$ 7,673	$ 4,968	$ 12,641
Accrued interest payable	–	4,300	4,300
Customer deposits	–	5,673	5,673
Net pension liability	72,296	–	72,296
Bonds payable			
Due within one year	–	16,660	16,660
Due in more than one year	–	638,714	638,714
Total Liabilities	79,969	670,315	750,284
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows	1,312	–	1,312
Total Deferred Inflows of Resources	1,312	–	1,312
NET POSITION			
Net investment in capital assets	381,708	1,597,369	1,979,077
Restricted for:			
Road and bridge	59,335	–	59,335
Unrestricted	107,746	253,711	361,457
Total Net Position	$ 548,789	$ 1,851,080	$ 2,399,869

The Notes to the Financial Statements are an Integral Part of this Statement

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

Function / Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental Activities:							
General government	$ 138,341	$ –	$ –	$ –	$ (138,341)	$ –	$ (138,341)
Streets	38,053	–	–	–	(38,053)	–	(38,053)
Total governmental activities	176,394	–	–	–	(176,394)	–	(176,394)
Business-type Activities:							
Water and Sewer	272,791	148,393	–	–	–	(124,398)	(124,398)
Total business-type activities	272,791	148,393	–	–	–	(124,398)	(124,398)
Total primary government	$ 449,185	$ 148,393	$ –	$ –	(176,394)	(124,398)	(300,792)
		General Revenues					
		Property Taxes			59,384	–	59,384
		Highway Use Tax			33,557	–	33,557
		Other Taxes			51,309	–	51,309
		Investment Earnings			5,781	1,468	7,249
		Miscellaneous			5,025	5,793	10,818
		Total General Revenues			155,056	7,261	162,317
		Transfer in (out)			–	–	–
		Total general revenues and transfers			155,056	7,261	162,317
		Changes in Net Position			(21,338)	(117,137)	(138,475)
		Net Position, October 1			570,127	1,968,217	2,538,344
		Net Position, September 30			$ 548,789	$ 1,851,080	$ 2,399,869

The Notes to the Financial Statements are an Integral Part of this Statement

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

	General	Road & Bridge	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 149,409	$ –	$ 149,409
Restricted cash	–	56,737	56,737
Investments	–	–	–
Prepaid expenses	6,986	–	6,986
Property tax and other state receivables	14,026	3,990	18,016
Total Assets	$ 170,421	$ 60,727	$ 231,148
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 6,281	$ 1,392	$ 7,673
Total Liabilities	6,281	1,392	7,673
Deferred inflows of resources:			
Unearned revenue	1,049	–	1,049
Fund balances:			
Restricted	–	59,335	59,335
Unassigned	163,091	–	163,091
Total Fund Balances	163,091	59,335	222,426
Total Liabilities, Deferred Outflows, and Fund Balances	$ 170,421	$ 60,727	$ 231,148

Total governmental fund balances	$ 222,426
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred revenue is not available to pay current period expenditures; therefore, is not reported in the funds.	1,049
Pension related activities:	
Net pension liability	(72,296)
Deferred outflows of resources	17,214
Deferred inflows of resources	(1,312)
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	381,708
Net position of governmental activities	$ 548,789

The Notes to the Financial Statements are an Integral Part of this Statement

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

	General	Road & Bridge	Total Governmental Funds
Revenues			
Taxes	$ 59,304	$ –	$ 59,304
Intergovernmental	51,309	33,557	84,866
Grants	–	–	–
Interest	5,692	89	5,781
Miscellaneous	5,025	–	5,025
Total revenues	121,330	33,646	154,976
Expenditures			
General Government			
Salaries and taxes	81,607	–	81,607
Office expense	3,178	–	3,178
Professional fees	12,462	260	12,722
Insurance	7,086	–	7,086
Travel and convention	1,118	–	1,118
Utilities	4,848	–	4,848
Miscellaneous	18	–	18
Planning & Zoning	–	–	–
Capital Outlay	7,921	–	7,921
Parks and Streets			
Repairs and maintenance	6,926	32,451	39,377
Lights	–	2,263	2,263
Total expenditures	125,164	34,974	160,138
Excess of revenues over (under) expenditures	(3,834)	(1,328)	(5,162)
Other financing sources (uses):			
Transfers in	–	–	–
Transfers out	–	–	–
Net change in fund balance	(3,834)	(1,328)	(5,162)
Fund Balances, October 1	166,925	60,662	227,587
Fund Balances, September 30	$ 163,091	$ 59,334	$ 222,425

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances-total governmental funds	$ (5,162)
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 by which capital outlays exceeded depreciation in the current period.	(10,626)
Because the City's year end is different than that of Idaho PERSI, an adjustment is made to pension expense for the year to agree to actuarial amounts.	(5,630)
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds.	80
Changes in net position of governmental activities.	$ (21,338)

The Notes to the Financial Statements are an Integral Part of this Statement

CITY OF NEWDALE, IDAHO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	GENERAL FUND			ROAD & BRIDGE		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes	$ 59,020	$ 59,304	$ 284	$ –	$ –	$ –
Intergovernmental	38,170	51,309	13,139	20,362	33,557	13,195
Interest	–	5,692	5,692	–	89	89
Miscellaneous	–	5,025	5,025	–	–	–
Total revenues	97,190	121,330	24,140	20,362	33,646	13,284
Expenditures:						
General Government						
Salaries and taxes	77,250	81,607	(4,357)	–	–	–
Office expense	3,000	3,178	(178)	–	–	–
Professional fees	15,000	12,462	2,538	2,500	260	2,240
Insurance	7,500	7,086	414	–	–	–
Travel and conventions	3,000	1,118	1,882	–	–	–
Utilities	6,000	4,848	1,152	–	–	–
Miscellaneous	2,500	18	2,482	500	–	500
Planning & Zoning	1,000	–	1,000	–	–	–
Capital outlay	36,940	7,921	29,019	–	–	–
Parks and Streets						
Repairs and maintenance	10,000	6,926	3,074	29,362	32,451	(3,089)
Lights	–	–	–	3,000	2,263	737
Total expenditures	162,190	125,164	37,026	35,362	34,974	388
Excess of revenues over (under) expenditures	(65,000)	(3,834)	61,166	(15,000)	(1,328)	13,672
Other financing sources (uses):						
Transfers in	–	–	–	–	–	–
Transfers out	–	–	–	–	–	–
Net change in fund balance	(65,000)	(3,834)	61,166	(15,000)	(1,328)	13,672
Fund Balance, October 1	166,925	166,925	–	60,662	60,662	–
Fund Balance, September 30	$ 101,925	$ 163,091	$ 61,166	$ 45,662	$ 59,334	$ 13,672

The Notes to the Financial Statements are an Integral Part of this Statement

CITY OF NEWDALE, IDAHO
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024

	Water	Sewer	Business-type Activities Water & Sewer
ASSETS			
Cash and cash equivalents	$ 73,842	$ 149,682	$ 223,524
Investments	10,800	11,050	21,850
Receivables	9,676	10,379	20,055
Bond issue costs	3,223	–	3,223
Capital assets (net of accumulated depreciation)			
Land and improvements	3,000	374,367	377,367
Buildings and improvements	3,909	–	3,909
Improvements other than buildings	877,884	938,667	1,816,551
Machinery and equipment	48,280	6,636	54,916
Furniture and fixtures	–	–	–
Total Assets	$ 1,030,614	$ 1,490,781	$ 2,521,395
LIABILITIES			
Accounts payable	$ 4,370	$ 598	$ 4,968
Accrued interest payable	20	4,280	4,300
Customer deposits	4,771	902	5,673
Bonds payable			
Due within one year	4,218	12,442	16,660
Due in more than one year	77,324	561,390	638,714
Total Liabilities	90,703	579,612	670,315
NET POSITION			
Net investment in capital assets	851,531	745,838	1,597,369
Restricted for:			
Debt service	–	–	–
Unrestricted	88,380	165,331	253,711
Total Net Position	$ 939,911	$ 911,169	$ 1,851,080

The Notes to the Financial Statements are an Integral Part of this Statement

CITY OF NEWDALE, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water	Sewer	Business-type Activities Water & Sewer
Operating revenues:			
Charges for services	$ 81,189	$ 67,204	$ 148,393
Miscellaneous Income	–	5,793	5,793
Total revenues	81,189	72,997	154,186
Operating expenses:			
Salaries and taxes	–	23,800	23,800
Depreciation	109,623	44,428	154,051
Administration	2,543	1,099	3,642
Office expense	5,310	2,068	7,378
Professional fees	4,326	9,779	14,105
Repairs and maintenance	17,159	5,824	22,983
Utilities	27,390	5,733	33,123
Total operating expenses	166,351	92,731	259,082
Operating income (loss)	(85,162)	(19,734)	(104,896)
Non-operating revenues (expenses):			
Miscellaneous income	–	–	–
Interest income	1,074	394	1,468
Interest expense	(603)	(13,106)	(13,709)
Total non-operating revenues (expenses)	471	(12,712)	(12,241)
Income (loss) before contributions and transfers	(84,691)	(32,446)	(117,137)
Grant proceeds	–	–	–
Transfers in	–	–	–
Transfers out	–	–	–
Change in Net Position	(84,691)	(32,446)	(117,137)
Net Position, October 1	1,024,602	943,615	1,968,217
Net Position, September 30	$ 939,911	$ 911,169	$ 1,851,080

The Notes to the Financial Statements are an Integral Part of this Statement

CITY OF NEWDALE, IDAHO
STATEMENT OF CASH FLOWS
PROPRIETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Water	Sewer	Business-type Activities Water & Sewer
Cash flows provided by operating activities:			
Receipts from customers and users	$ 80,145	$ 68,389	$ 148,534
Payments to suppliers	(62,056)	(24,547)	(86,603)
Payments to employees	–	(23,800)	(23,800)
Other receipts and payments	–	5,793	5,793
Net cash provided (used) by operating activities	18,089	25,835	43,924
Cash flows from noncapital and related financing activities:			
Grant proceeds	–	–	–
Insurance proceeds	–	–	–
Net cash provided (used) by noncapital and related financing activities	–	–	–
Cash flows from capital and related financing activities:			
Purchase of capital assets	–	–	–
Advances (transfers) on long-term debt	–	–	–
Transfers in (out) of other funds	–	–	–
Principal and interest paid on long-term debt	(4,620)	(25,353)	(29,973)
Net cash provided (used) by capital and related financing activities	(4,620)	(25,353)	(29,973)
Cash flows from investing activities:			
Interest received on investments	1,074	395	1,469
Investments (purchased) sold	–	–	–
Net cash provided (used) by investing activities	1,074	395	1,469
Net increase (decrease) in cash	14,543	877	15,420
Cash and cash equivalents, October 1	59,299	148,805	208,104
Cash and cash equivalents, September 30	$ 73,842	$ 149,682	$ 223,524
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (85,162)	$ (19,734)	$ (104,896)
Depreciation	109,623	44,428	154,051
(Increase) decrease in accounts receivable	(1,044)	1,185	141
Increase (decrease) in accounts payable	(5,328)	(44)	(5,372)
Increase (decrease) in customer deposits	–	–	–
Net cash provided (used) by operating activities	$ 18,089	$ 25,835	$ 43,924

The Notes to the Financial Statements are an Integral Part of this Statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Newdale 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 significant accounting policies of the City are described below:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City of Newdale. 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 and 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 Newdale exercises authority.

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 nonfiduciary activities of the primary government. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely 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 of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues 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 are 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.

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. The City of Newdale has no non-major funds and no fiduciary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the propriety 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 items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period of 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debts service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only payment is due.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds are used to account for financial resources to be used for legally restricted specific purposes. The City uses these funds to account for the repair and maintenance of streets and street lights.

The government reports the following major proprietary funds:

The Water & Sewer Fund accounts for the operations of providing water to the citizens of the City and for the operations of the City's sewer system.

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. All taxes are reported as general revenues as are internally dedicated resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods 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.

Proprietary funds distinguish cash and cash equivalents in the statement of cash flows as those funds held in checking and savings accounts for use in the day-to-day operations of the fund.

Inventories

The governmental funds of the City use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the financial statements because the amounts outstanding at year end are immaterial.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

Statutes authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool. Deposits (cash and certificates of deposit) are carried at cost which approximates market value except for outstanding checks which had not cleared the accounts by the end of the year.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's funds are invested in cash and or certificates of deposits in institutions covered by the Federal Deposit Insurance Corporation insurance (FDIC). As of September 30, 2024, the City's cash and investments consisted of $451,519 in business checking and certificates of deposits with local and regional banks. Fair market value and cost were the same. Average credit quality ratings and the weighted average days to maturity do not apply to these deposits. The City does not exceed FDIC coverage in the governmental funds.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issue. The City's currently has the majority of its deposits with a national and local bank and, therefore, exceeds the 5 percent of its total assets with a single institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's deposits within the FDIC limits should not be adversely effected by a change in interest rates because cost and fair market value are the same.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed, and any gain or loss arising from its disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. 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 other than buildings	25-40 years
Furniture & fixtures	10-15 years
Equipment	10-20 years

Short-term Liabilities

The city has no unused lines of credit, pledged assets, or other direct borrowing liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Liabilities

Long-term liabilities consist of bonds, notes and other indebtedness including material liabilities associated with compensated absences.

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.

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 the majority of members of the council.

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

Restricted Assets

Cash and investments, the use of which is restricted for the repair of utility facilities, payment of debt service, and other items specified by the bondholders are classified as restricted assets. The Road and Bridge fund has a balance restricted by statute for use in construction, maintenance, and other applicable expenses associated with the upkeep of related assets. Restricted cash balances are $56,737 at year end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

Compensated Absences

The City has no formal vacation or sick leave policy for its employees whereby they would be paid upon terminating employment. Accordingly, no liability for such has been accrued in these financial statements.

Use of Estimates

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

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.

Governmental Fund Balances

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

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. The City had no committed fund balances on September 30, 2024.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

Unassigned – All amounts not included in other spendable classifications.

2. ACCOUNTS RECEIVABLE

The City's Water & Sewer accounts receivable are reported at their gross amounts. The City estimates that the amount of uncollectible accounts would not be significant to the outstanding balance, therefore no amount has been accrued for bad debt. Receivables in the governmental funds are tied to property taxes receivable and other state revenues such as highway user funds, revenue sharing, liquor apportionment.

3. RESTRICTED ASSETS

The City has no restrictions on cash due to bond or loan requirements. The Road and Bridge fund has a balance restricted by state statute for use in construction, maintenance, and other applicable expenses associated with the upkeep of the City's infrastructure, per the council's discretion.

4. STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, all checking and savings accounts with maturity dates of 90 days or less are considered to be cash and cash equivalents.

5. RISK MANAGEMENT/INSURANCE COVERAGE

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 transferred most if its risks by purchasing commercial insurance. Workman's Compensation is purchased through the Idaho State Insurance Fund.

All other insurance has been purchased through the Idaho Counties Risk Management Program. The current year policy expires October 1, 2024 and has been renewed to October 1, 2025. The policy coverage's include: All risks of physical loss or damage, automobile physical damage, comprehensive general liability, premises medical payments, law enforcement liability, automobile liability, errors or omissions liability, employee dishonesty, money & securities, and depositors forgery.

6. PROPERTY TAXES

Property taxes are levied by the 2nd Monday in September, in conformity with Title 31, Section 1605, of the Idaho State Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before December 20 and June 20 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

7. BONDS PAYABLE

On March 15, 2013, the City issued unsecured debt through the Idaho Department of Environmental Quality for $128,555 at .50%. The bonds require semi-annual payments for 30 years of $2,310.

On May 31, 2016, the City issued unsecured debt through the USDA Rural Development for $639,000 at 3.250%. The bonds require annual payments for 40 years of $24,398.

On May 31, 2016, the City issued unsecured debt through the USDA Rural Development for $25,000 at 2.500%. The bonds require annual payments for 40 years of $955.

The following is a schedule of principal and interest payments on long-term debt to maturity:

Year Ended September 30,	Principal	Interest	Total
2025	$ 16,660	$ 13,313	$ 29,973
2026	16,961	13,012	29,973
2027	17,268	12,705	29,973
2028	17,581	12,392	29,973
2029	17,903	12,070	29,973
Thereafter	569,001	177,698	746,699
	$ 655,374	$ 241,190	$ 896,564

A summary of changes in long-term debt is as follows:

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024
2013 Drinking Water	$ 85,741	$ –	$ (4,202)	$ 81,539
2016 Wastewater	563,940	–	(11,708)	552,232
2016 Wastewater Add-on	22,060	–	(457)	21,603
TOTAL	$ 671,741	$ –	$(16,367)	$ 655,374

Cash outlays for interest on bonds and other debt for the year ended September 30, 2024 were $13,606.

8. INTERFUND TRANSFERS

On occasion the city transfers amounts between funds for various purposes. These include funding capital asset purchases and reassigning fund balances to support certain activities. Current year activity is as follows:

	Transfers in	Transfers out
General fund	$ –	$ –
Road and bridge fund	–	–
Enterprise fund	–	–
	$ –	$ –

9. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 2023	Additions	Retirements	Balance 2024
Governmental Activities:				
Infrastructure	$ 145,319	$ –	$ –	$ 145,319
Land and improvements	215,394	–	–	215,394
Buildings and improvements	225,136	–	–	225,136
Machinery and equipment	140,486	7,921	–	148,407
Furniture and fixtures	1,989	–	–	1,989
	728,324	7,921	–	736,245
Accumulated Depreciation:				
Infrastructure	136,237	704	–	136,941
Land and improvements	42,073	9,034	–	51,107
Buildings and improvements	84,264	2,297	–	86,561
Machinery and equipment	71,602	6,513	–	78,115
Furniture and fixtures	1,814	–	–	1,814
	335,990	18,547	–	354,538
Net Book Value:				
Infrastructure	9,082	(704)	–	8,378
Land and improvements	173,321	(9,034)	–	164,287
Buildings and improvements	140,872	(2,297)	–	138,575
Machinery and equipment	68,884	1,409	–	70,293
Furniture and fixtures	175	–	–	175
	$ 392,334	$ (10,626)	$ –	$ 381,708
Business-type Activities:				
Land and improvements	$ 377,367	$ –	$ –	$ 377,367
Buildings and improvements	11,740	–	–	11,740
Improvements other than buildings	4,959,895	–	–	4,959,895
Machinery and equipment	180,856	–	–	180,856
Furniture and fixtures	9,440	–	–	9,440
	5,539,298	–	–	5,539,298
Accumulated Depreciation:				
Land and improvements	–	–	–	–
Buildings and improvements	7,537	294	–	7,831
Improvements other than buildings	2,997,863	145,480	–	3,143,343
Machinery and equipment	117,663	8,277	–	125,940
Furniture and fixtures	9,440	–	–	9,440
	3,132,503	154,051	–	3,286,554
Net Book Value:				
Land and improvements	377,367	–	–	377,367
Buildings and improvements	4,203	(294)	–	3,909
Improvements other than buildings	1,962,032	(145,480)	–	1,816,552
Machinery and equipment	63,193	(8,277)	–	54,916
Furniture and fixtures	–	–	–	–
	$ 2,406,795	$ (154,051)	$ –	$ 2,252,744

Depreciation expense for the current period is $15,468 in the General Fund and $3,079 in Parks and Streets as applied to each function in the Statement of Activities.

10. RETIREMENT PLANS

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. The audit report, completed by Eide Bailly, LLP and the Actuary Report, completed by Milliman Financial Reporting Valuation, 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.

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 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% general employees and 13.26% for police and firefighters. The City's contributions were $10,589 for the year ended September 30, 2024.

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

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, 2024, 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 0.0019327 percent.

For the year ended September 30, 2024, the City recognized pension expense of $9,939. 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 & actual experience	$ 11,510	$ –
Changes in assumptions	2,864	–
Net difference between projected & actual earnings on pension plan investments	–	1,312
Changes in the City's proportion & differences between City contributions & proportionate contributions	–	–
City contributions subsequent to the measurement date	2,840	–
Total	$ 17,214	$ 1,312

$2,840 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 July 1, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period June 30, 2024.

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

Year ended September 30,	
2025	$ 3,568
2026	13,480
2027	(2,325)
2028	(1,662)

Actuarial Assumptions

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

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1.00%

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%.
Disabled Members - Males Pub - 2010 Disabled Tables, increased 38%.
Disabled Members - Females Pub - 2010 Disabled Tables, increased 36%.

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

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

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

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

	2024	
Asset Class	**DB Plans**	**Sick Leave**
Fixed Income	30.00%	39.30%
US/Global Equity	55.00%	50.00%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100%	100%

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%, 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 (5.35%) or 1-percentage-point higher (7.35%) 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)	$ 137,384	$ 77,296	$ 19,135

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.

Payables to the Pension Plan

At September 30, 2024, the City reported payables to the defined benefit pension plan of $854 for legally required employer contributions and $556 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

11. SUBSEQUENT EVENTS

The City has evaluated subsequent events through January 2, 2025, the date the financial statements were available to be issued. No significant events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

12. OTHER REQUIRED DISCLOSURES

The City is not obligated for any special assessment debt.

Robert D Hardy, CPA, PC
Certified Public Accountant • Business Consultant

INDEPENDENT AUDITORS' 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 City Council
City of Newdale, Idaho

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Newdale, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Newdale's basic financial statements and have issued our report thereon dated January 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Newdale, Idaho's internal control over financial reporting (internal control) as a basis for deigning audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Newdale's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Newdale'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 sever 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-1 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Newdale'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 financial

1655 East 1st Street • Idaho Falls, ID 83401 • (208) 525-8515 • Fax (208) 522-5227

statements 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 *Governmental Auditing Standards.*

The City of Newdale's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City of Newdale's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City of Newdale's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Idaho Falls, Idaho
January 2, 2025

CITY OF NEWDALE, IDAHO
Schedule of Findings and Responses
For the Year Ended September 30, 2024

Finding 2024-1: Lack of segregation of duties

Condition: The City lacks a segregation of duties over accounting functions, including stewardship of cash and cash equivalents.

Criteria: Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

Effect: A lack of segregation of duties increases the risk that loss of assets would not be prevented or detected in a timely manner and in the normal course of operations.

Recommendation: We suggest the City expand its personnel to assist in accounting and stewardship duties.

Response: The cost of hiring additional personnel outweighs the benefit to be derived. The City acknowledges mitigating controls are in place such as dual signatures on checks, monthly review of all disbursements by council, and monthly review of financial reports prepared by the clerk.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWDALE
Schedule of Employer's Share of Net Pension Liability
PERSI – Base Plan
Last 10 – Fiscal Years

	2015	2016	2017
Employer's portion of net pension liability	0.0017477%	0.0019878%	0.0020222%
Employer's proportionate share of net pension liability	$ 23,014	$ 40,296	$ 31,786
Employer's covered-employee payroll	52,191	60,111	62,807
Employer's proportional share of net pension liability as a percentage of its covered-employee payroll	44.10%	67.04%	50.61%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%

	2018	2019	2020
Employer's portion of net pension liability	0.0020156%	.0019389%	0.0018656%
Employer's proportionate share of net pension liability	$ 29,730	22,132	43,322
Employer's covered-employee payroll	65,917	65,852	67,159
Employer's proportional share of net pension liability as a percentage of its covered-employee payroll	45.10%	33.61%	64.51%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	93.79%	88.22%

	2021	2022	2023
Employer's portion of net pension liability (asset)	0.0018582%	.0017405%	.0021039%
Employer's proportionate share of net pension liability (asset)	$ (1,468)	68,553	83,959
Employer's covered-employee payroll	67,733	79,181	92,338
Employer's proportional share of net pension liability (asset) as a percentage of its covered-employee payroll	(2.16%)	86.58%	90.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.36%	83.09%	83.83%

	2024
Employer's portion of net pension liability (asset)	0.0019327%
Employer's proportionate share of net pension liability (asset)	$ 72,295
Employer's covered-employee payroll	94,116
Employer's proportional share of net pension liability (asset) as a percentage of its covered-employee payroll	76.81%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%

Data reported is measured as of June 30, 2024

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

	2015	2016	2017
Statutorily required contributions	$ 5,717	$ 6,805	$ 7,110
Contributions in relation to the statutorily required contributions	5,614	6,805	7,110
Contribution (deficiency) excess	(103)	–	–
Employer's covered-employee payroll	52,191	60,111	62,807
Contributions as a percentage of covered-employee payroll	10.76%	11.32%	11.32%

	2018	2019	2020
Statutorily required contributions	$ 7,462	7,557	8,018
Contributions in relation to the statutorily required contributions	7,462	7,557	8,020
Contribution (deficiency) excess	–	–	(2)
Employer's covered-employee payroll	65,917	65,852	67,159
Contributions as a percentage of covered-employee payroll	11.32%	11.48%	11.94%

	2021	2022	2023
Statutorily required contributions	$ 8,092	9,454	10,850
Contributions in relation to the statutorily required contributions	8,092	8,817	10,194
Contribution (deficiency) excess	–	(637)	(656)
Employer's covered-employee payroll	67,773	79,181	92,338
Contributions as a percentage of covered-employee payroll	11.94%	11.14%	11.04%

	2024
Statutorily required contributions	$ 10,706
Contributions in relation to the statutorily required contributions	9,939
Contribution (deficiency) excess	–
Employer's covered-employee payroll	94,116
Contributions as a percentage of covered-employee payroll	10.56%

Data reported is measured as of September 30, 2024