CITY OF NOTUS, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Table of Contents

Page

Independent Auditor's Report 4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position 7

Statement of Activities 8

Fund Financial Statements

Balance Sheet – Governmental Funds 9

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position 10

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 11

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities 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 17

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary (GAAP Basis) Comparison Schedule

General Fund 33

Street Fund 34

Notes to Required Supplementary Information 35

Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of the City's Contributions 36

SUPPLEMENTAL INFORMATION

Supplemental Schedule of Revenues by Source – Budget and Actual – General Fund 38

Supplemental Schedule of Expenditures by Object of Expenditure – Budget and Actual – General Fund 39

FEDERAL REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Preformed in Accordance with *Government Auditing Standards* 41

Schedule of Findings and Management's Response 43

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

Independent Auditor's Report

Honorable Mayor
and City Council
Notus, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Notus, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Notus, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Notus, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Notus, Idaho's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 of Notus, Idaho'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 of Notus, Idaho'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 that budgetary comparison information, schedule of City's proportionate share of the net pension liability, and schedule of City contributions on pages 30 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City of Notus, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Notus, Idaho's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
December 11, 2024

City of Notus, Idaho
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 983,969	$ 1,155,206	$ 2,139,175
Receivables, Net:			
Accounts	-	17,148	17,148
Interest	3,481	4,335	7,816
Property Taxes	2,252	-	2,252
Due from Other Governments	18,532	-	18,532
Total Current Assets	1,008,234	1,176,689	2,184,923
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	62,559	62,559
Capital Assets:			
Land and Nondepreciable Infrastructure	138,300	11,712	150,012
Buildings	74,263	-	74,263
Improvements and Basic System	116,604	2,372,303	2,488,907
Equipment	110,414	67,329	177,743
Total Capital Assets	439,581	2,451,344	2,890,925
Total Assets	1,447,815	3,690,592	5,138,407
Deferred Outflows			
Pension Related Items	6,406	7,829	14,235
Total Deferred Outflows	6,406	7,829	14,235
Liabilities			
Current Liabilities:			
Accounts Payable	5,726	7,793	13,519
Accrued Interest	-	10,000	10,000
Customer Deposits	-	16,400	16,400
Total Current Liabilities	5,726	34,193	39,919
Long-term Liabilities:			
Portion Due or Payable Within One Year:			
Compensated Absences	5,091	5,476	10,567
Bond Payable	-	43,145	43,145
Portion Due or Payable After One Year:			
Bond Payable	-	1,374,546	1,374,546
Net Pension Liability	27,338	33,412	60,750
Total Long-term Liabilities	32,429	1,456,579	1,489,008
Total Liabilities	38,155	1,490,772	1,528,927
Deferred Inflows			
Pension Related Items	496	607	1,103
Total Deferred Inflows	496	607	1,103
Net Position			
Invested in Capital Assets, Net of Related Debt	439,581	1,033,653	1,473,234
Restricted	-	62,559	62,559
Unrestricted (Deficit) Surplus	975,989	1,110,830	2,086,819
Total Net Position	$ 1,415,570	$ 2,207,042	$ 3,622,612

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

City of Notus, Idaho
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total Primary Government
Primary Government:							
Governmental Activities:							
General Government	$ 153,679	$ 14,292	$ 84,088	$ -	$ (55,299)	$ -	$ (55,299)
Streets	28,556	-	15,382	-	(13,174)	-	(13,174)
Parks	11,307	-	-	-	(11,307)	-	(11,307)
Library and Museum	30,501	-	-	-	(30,501)	-	(30,501)
Community Center	9,765	3,875	5,266	-	(624)		(624)
Total Governmental Activities	233,808	18,167	104,736	-	(110,905)	-	(110,905)
Business-type Activities:							
Water	109,979	144,583	-	-	-	34,604	34,604
Sewer	177,665	161,094	-	-	-	(16,571)	(16,571)
Garbage	39,972	39,417	-	-	-	(555)	(555)
Total Business-type Activities	327,616	345,094	-	-	-	17,478	17,478
Total Primary Government	$ 561,424	$ 363,261	$ 104,736	$ -	$ (110,905)	$ 17,478	$ (93,427)
General Revenues:							
Property Taxes					128,323	-	128,323
State Sources					157,390	-	157,390
Other					20,198	-	20,198
Unrestricted Investment Earnings					41,175	51,717	92,892
Total General Revenues and Special Items					347,086	51,717	398,803
Change in Net Position					236,181	69,195	305,376
Net Position, Beginning of Year					1,179,389	2,137,847	3,317,236
Net Position, End of Year					$ 1,415,570	$ 2,207,042	$ 3,622,612

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

City of Notus, Idaho
Balance Sheet -
Governmental Funds
September 30, 2024

	General	Street	Total
Assets			
Cash and Cash Equivalents	$ 706,887	$ 277,082	$ 983,969
Property Taxes Receivable, Net	2,252	-	2,252
Accrued Interest	2,906	575	3,481
Due from Other Governments	18,532	-	18,532
Total Assets	$ 730,577	$ 277,657	$ 1,008,234
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	$ 5,212	$ 514	$ 5,726
Total Liabilities	5,212	514	5,726
Deferred Inflows			
Unavailable Revenue - Property Taxes	1,813	-	1,813
Fund Balances:			
Unassigned	723,552	277,143	1,000,695
Total Fund Balances	723,552	277,143	1,000,695
Total Liabilities, Deferred Inflows and Fund Balance	$ 730,577	$ 277,657	$ 1,008,234

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

City of Notus, Idaho
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 1,000,695
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Those assets consist of:		
Land	$ 138,300	
Buildings, Net of $104,315 Accumulated Depreciation	74,263	
Improvements, Net of $742,120 Accumulated Depreciation	116,604	
Equipment, Net of $29,455 Accumulated Depreciation	110,414	
		439,581
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		1,813
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Compensated absences are not accrued in governmental funds, but rather are recognized as an expenditure when due. All liabilities - both current and long-term are reported in the Statement of Net Position.		
Compensated Absences	$ (5,091)	
		(5,091)
The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (27,338)	
Pension Related Deferred Outflows	6,406	
		(21,428)
Net Position of Governmental Activities		$ 1,415,570

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

City of Notus, Idaho
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	General	Street	Total
Revenues			
Property Taxes	$ 100,766	$ 27,262	$ 128,028
Licenses and Permits	7,912	6,043	13,955
Intergovernmental	95,328	62,062	157,390
Grants and Donations	89,354	15,382	104,736
Charges for Services	4,212	-	4,212
Interest Income	33,596	7,579	41,175
Other	19,381	817	20,198
Total Revenues	350,549	119,145	469,694
Expenditures			
Current:			
General Government	138,512	-	138,512
Streets	4,953	75,929	80,882
Parks and Recreation	11,307	-	11,307
Library and Museum	92,522	-	92,522
Community Center	9,765	-	9,765
Total Expenditures	257,059	75,929	332,988
Net Change in Fund Balances	93,490	43,216	136,706
Fund Balances - Beginning	630,062	233,927	863,989
Fund Balances - Ending	$ 723,552	$ 277,143	$ 1,000,695

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

City of Notus, Idaho
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 136,706
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Conversely, disposals of capital assets do not report a gain or loss in the governmental funds but in the Statement of Activities the remaining cost of the asset(s) is written off. In the current period these amounts are:		
Capital Outlay	$ 116,900	
Depreciation Expense	(16,545)	
Net		100,355
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.		295
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This requires an adjustment in the following accounts:		
Compensated Absences		(1,484)
The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		309
Change in Net Position of Governmental Activities		$ 236,181

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

City of Notus, Idaho
Statement of Net Position -
Proprietary Funds
September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 674,770	$ 477,293	$ 3,143	$ 1,155,206
Accounts Receivable, Net	6,768	8,384	1,996	17,148
Accrued Interest	2,732	1,603	-	4,335
Total Current Assets	684,270	487,280	5,139	1,176,689
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	62,559	-	-	62,559
Capital Assets:				
Land and Construction in Progress	6,712	5,000	-	11,712
Basic System, Net	71,609	2,300,694	-	2,372,303
Equipment, Net	50,980	16,349	-	67,329
Total Noncurrent Assets	191,860	2,322,043	-	2,513,903
Total Assets	876,130	2,809,323	5,139	3,690,592
Deferred Outflows				
Pension Related Items	4,697	3,132	-	7,829
Total Deferred Outflows	4,697	3,132	-	7,829
Liabilities				
Current Liabilities:				
Accounts Payable	3,787	890	3,116	7,793
Accrued Interest	806	9,194	-	10,000
Customer Deposits	16,400	-	-	16,400
Compensated Absences	2,574	2,902	-	5,476
Bonds, Notes, and Loans Payable	14,571	28,574	-	43,145
Total Current Liabilities	38,138	41,560	3,116	82,814
Noncurrent Liabilities:				
Bonds, Notes, and Loans Payable	47,993	1,326,553	-	1,374,546
Net Pension Liability	20,047	13,365	-	33,412
Total Liabilities	106,178	1,381,478	3,116	1,490,772
Deferred Inflows				
Pension Related Items	364	243	-	607
Total Deferred Inflows	364	243	-	607
Net Position				
Invested in Capital Assets, Net of Related Debt	66,737	966,916	-	1,033,653
Restricted for Debt Service	62,559	-	-	62,559
Unrestricted	644,989	463,818	2,023	1,110,830
Total Net Position	$ 774,285	$ 1,430,734	$ 2,023	$ 2,207,042

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

City of Notus, Idaho
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
Operating Revenues				
Charges for Services	$ 144,583	$ 161,094	$ 39,417	$ 345,094
Total Operating Revenues	144,583	161,094	39,417	345,094
Operating Expenses				
Wages	22,460	21,768	685	44,913
Benefits	4,101	4,147	135	8,383
Training	725	240	-	965
Supplies	2,883	4,048	-	6,931
Fuel	767	641	-	1,408
Utilities and Phone	10,763	7,220	-	17,983
Professional Services	3,439	875	-	4,314
Maintenance and Operations	15,118	7,787	39,152	62,057
Other Expense	691	912	-	1,603
Depreciation	45,324	106,441	-	151,765
Total Operating Expenses	106,271	154,079	39,972	300,322
Operating Income (Loss)	38,312	7,015	(555)	44,772
Nonoperating Revenues (Expenses)				
Interest Earned	32,944	18,773	-	51,717
Interest Expense	(3,708)	(23,586)	-	(27,294)
Total Non-operating Revenues (Expenses)	29,236	(4,813)	-	24,423
Change in Net Position	67,548	2,202	(555)	69,195
Net Position - Beginning	706,737	1,428,532	2,578	2,137,847
Net Position - Ending	$ 774,285	$ 1,430,734	$ 2,023	$ 2,207,042

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

City of Notus, Idaho
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
Cash Flows From Operating Activities				
Charges for Services	$ 147,944	$ 166,216	$ 40,776	$ 354,936
Payments to Suppliers for Goods and Services	(34,016)	(21,723)	(39,152)	(94,891)
Payments to Employees for Services	(25,975)	(25,607)	(820)	(52,402)
Net Cash Provided (Used) by Operating Activities	87,953	118,886	804	207,643
Cash Flows From Capital and Related Financing Activities				
Proceeds from Debt	-	(28,155)	-	(28,155)
Purchase of Capital Assets	(23,629)	-	-	(23,629)
Principal Paid on Capital Debt	(15,609)	-	-	(15,609)
Interest Paid on Capital Debt	(3,909)	(23,722)	-	(27,631)
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,147)	(51,877)	-	(95,024)
Cash Flows From Investing Activities				
Interest and Dividends	30,212	17,170	-	47,382
Net Increase (Decrease) in Cash and Cash Equivalents	75,018	84,179	804	160,001
Cash and Cash Equivalents, Beginning	662,311	393,114	2,339	1,057,764
Cash and Cash Equivalents, Ending	$ 737,329	$ 477,293	$ 3,143	$ 1,217,765
Displayed As:				
Cash	$ 674,770	$ 477,293	$ 3,143	$ 1,155,206
Restricted Assets	62,559	-	-	62,559
	$ 737,329	$ 477,293	$ 3,143	$ 1,217,765

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

City of Notus, Idaho
Statement of Cash Flows -
Proprietary Funds (continued)
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 38,312	$ 7,015	$ (555)	$ 44,772
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	45,324	106,441	-	151,765
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	3,361	5,122	1,359	9,842
(Increase) Decrease in Deferred Outflows	5,515	3,676	-	9,191
Increase (Decrease) in Accounts Payable	370	-	-	370
Increase (Decrease) in Compensated Absences	813	459	-	1,272
Increase (Decrease) in Net Pension Liability	(6,106)	(4,070)	-	(10,176)
Increase (Decrease) in Deferred Inflows	364	243	-	607
Net Cash Provided by Operating Activities	$ 87,953	$ 118,886	$ 804	$ 207,643

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

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

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

The City reports the following major governmental funds:

- *General fund.* This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- *Street fund.* This fund accounts for the activities related to the City's roads and streets.

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

The City reports the following major enterprise funds:

- *Water fund.* This fund accounts for the activities of the City's water supply system, pumping stations, and collection systems.
- *Sewer fund.* This fund accounts for the activities of the City's sewage treatment plant and collection systems.
- *Sanitation*. This fund accounts for the activities related to the City's garbage collection and disposal.

Basis of Accounting

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

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

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

Fund Balance Reporting in Governmental Funds

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

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

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

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

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

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

Restricted fund balance in the governmental funds consists of prepared insurance.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Treasurer. A “Pooled Cash” concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts cash on hand, demand deposits and short-term investments with an original maturity of three months or less at the time of purchase are considered to be cash and cash equivalents. See Note 2.

Property Tax Calendar

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

Capital Assets

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

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

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	10 – 50 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 15 Years

The City (a phase three government) has elected not to report major general infrastructure assets retroactively. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. Since October 1, 2003, the City has acquired no new infrastructure assets.

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

Receivables

All trade receivables are shown net of an allowance for doubtful accounts. As of September 30, 2024, there was no allowance.

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

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 disclosure 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.

2. CASH AND INVESTMENTS

Summary of Deposit and Investment Balances

The City maintains a cash and investment pool for use by all funds.

Deposits

As of September 30, 2024, the carrying amount of the City's deposits was $358,336 and the respective bank balances totaled $365,660. The total bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the City.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, all of the City's deposits were covered by the federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were not exposed to custodial credit risk. The City does not have a formal policy limiting its exposure to custodial credit risk. The City also had $250 of cash on hand at the end of the year.

Custodial Credit Risk – Investments

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

Interest Rate Risk

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

Investments

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

The City follows Idaho Statute that outlines qualifying investment options as follows:

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

The City's investments at September 30, 2024, are summarized below:

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	1 - 5
External Investment Pool	$ 1,843,148	$ 1,843,148	$ -

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 163,015	$ 195,321	$ 358,336
Restricted cash	-	62,559	62,559
Investments categorized as deposits	820,704	959,885	1,780,589
	$ 983,719	$ 1,217,765	$ 2,201,484

3. RISK MANAGEMENT

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

4. PROPERTY TAXES

The City of Notus, Idaho receives tax revenue from Canyon County. The County is responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the City by the County as of September 30, 2024, are considered by the City as a receivable.

Taxes not collected within 60 days after September 30, 2024, are not considered available for use by the City and are recorded as deferred revenue in the fund financial statements.

5. PENSION PLAN

Plan Description

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

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

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% for general employees and 13.26% for police and firefighters. The City of Notus, Idaho's contributions were $8,965 for the year ended September 30, 2024.

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

At September 30, 2024, the City of Notus, Idaho 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 of Notus, Idaho's proportion of the net pension liability was based on the City of Notus, Idaho's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the City of Notus, Idaho's proportion was 0.0016241 percent.

For the year ended September 30, 2024, the City of Notus, Idaho recognized pension expense/(revenue) of $8,292. At September 30, 2024, the City of Notus, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,672	$ -
Changes in assumptions or other inputs	2,407	-
Net difference between projected and actual earnings on pension plan investments	-	1,103
Changes in employer's proportion and differences between the employer's contributions an the employer's proportionate contributions.	-	-
City of Notus, Idaho's contributions subsequent to the measurement date	2,156	
Total	$ 14,235	$ 1,103

$2,156 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 years and 4.6 years 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:

For the Year Ended September 30:	PERSI
2025	$ 5,154
2026	11,327
2027	(1,953)
2028	(1,396)

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 expense
Cost-of-living adjustments	1%

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, increase 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.

Asset Class	DB Plans
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 115,444	$ 60,750	$ 16,079

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.

6. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees who have been employed by the City for more than one year. In the event of termination, an employee is reimbursed for accumulated vacation leave.

Changes in compensated absences for the year ended September 30, 2024, are as follows:

	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Governmental Activities	$ 3,607	$ 4,054	$ (2,570)	$ 5,091	$ 5,091
Business-type Activities	4,204	3,962	(2,690)	5,476	5,476
	$ 7,811	$ 8,016	$ (5,260)	$ 10,567	$ 10,567

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

	Balance 9/30/2023	Additions	Disposals	Balance 9/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 138,300	$ -	$ -	$ 138,300
Capital Assets Being Depreciated:				
Buildings	178,578	-	-	178,578
Infrastructure	798,285	60,439	-	858,724
Equipment	83,408	56,461	-	139,869
Total Depreciable Assets	1,060,271	116,900	-	1,177,171
Less Accumulated Depreciation:				
Buildings	101,308	3,007	-	104,315
Infrastructure	736,981	5,139	-	742,120
Equipment	21,056	8,399	-	29,455
Total Acc. Depr.	859,345	16,545	-	875,890
Net Depreciable Assets	200,926	100,355	-	301,281
Governmental Activities				
Capital Assets - Net	$ 339,226	$ 100,355	$ -	$ 439,581
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 11,712	$ -	$ -	$ 11,712
	11,712	-	-	11,712
Capital Assets Being Depreciated:				
Buildings	5,642	-	-	5,642
Basic Systems	4,715,595	-	-	4,715,595
Equipment	87,946	23,539	-	111,485
Total Depreciable Assets	4,809,183	23,539	-	4,832,722
Less Accumulated Depreciation:				
Buildings	5,642	-	-	5,642
Basic Systems	2,199,184	144,108	-	2,343,292
Equipment	36,499	7,657	-	44,156
Total Acc. Depr.	2,241,325	151,765	-	2,393,090
Net Depreciable Assets	2,567,858	(128,226)	-	2,439,632
Business-type Activities				
Capital Assets - Net	$ 2,579,570	$ (128,226)	$ -	$ 2,451,344

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

Governmental Activities:	
General Government	$ 13,964
Streets	2,045
Library and Museum	536
	$ 16,545
Business-type Activities:	
Water	$ 45,324
Sewer	106,441
	$ 151,765

8. LONG-TERM OBLIGATIONS

In 2000 the City issued a 30-year bond for $300,000 to fund capital improvements to the water system. Payments are due annually with an interest rate of 5.00%. The bond will mature in 2030. The bond is secured by future user fees, paid through the water fund.

In 2019 the City issued a sewer bond anticipation note. The proceeds were used to pay off a short-term construction loan from 2018 and begin construction of the wastewater treatment facility improvements. The bond anticipation note was repaid in 2019.

In 2019 the City also issued two 40-year sewer bonds for a total of $1,491,000 to fund capital improvements at the wastewater treatment facility improvements. The first bond is for $1,305,000 with an interest rate of 1.625%. The second bond is for $186,000 with an interest rate of 2.375%. Both bonds are paid annually until they mature in 2059. The bond is secured by future user fees, paid through the sewer fund.

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

Description	Maturity	Rate	Required Reserve	9/30/2023	Increase	Decrease	9/30/2024	Current Portion
Business-type Activities:								
Water Bond	2030	5.00%	$ 19,518	$ 78,173	$ -	$ (15,609)	$ 62,564	$ 14,571
Sewer Bond 2019A	2059	1.63%	22,316	1,209,045	-	(25,037)	1,184,008	25,383
Sewer Bond 2019B	2059	2.38%	3,628	174,237	-	(3,118)	171,119	3,191
			$ 45,462	$1,461,455	$ -	$ (43,764)	$1,417,691	$ 43,145

Per the water revenue bond covenant, the City is required to have of cash or investments set aside as a reserve. As of September 30, 2024 the City has set aside , thus they are in compliance with the bond covenants.

Debt service requirements on long-term debt at September 30, 2024, are as follows:

Year Ending September	Bonds and Notes		
	Principal	Interest	Total
2025	$ 43,145	$ 28,252	$ 71,397
2026	44,361	27,035	71,397
2027	45,623	25,773	71,397
2028	46,693	24,465	71,397
2029	30,578	21,300	71,397
2030 - 2034	160,924	98,469	317,947
2035 - 2039	175,194	84,198	259,393
2040 - 2044	190,757	68,635	259,393
2045 - 2049	207,734	51,659	259,393
2050 - 2054	226,256	33,137	259,393
2055 - 2059	246,426	12,925	259,393
	$ 1,417,691	$ 475,848	$ 1,971,897

Interest expense for the year was $27,294 for business-type activities. No interest was capitalized.

9. OTHER COMMITMENTS

The City also has credit cards available for use. As of September 30, 2024, credit available on these credit cards totaled $4,900, of which, $1,071 was in use.

REQUIRED SUPPLEMENTARY INFORMATION

City of Notus, Idaho
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 111,141	$ 111,141	$ 100,766	$ (10,375)
Licenses and Permits	15,210	15,210	7,912	(7,298)
Intergovernmental	102,328	102,328	95,328	(7,000)
Grants and Donations	106,731	106,731	89,354	(17,377)
Chargers for Services	6,755	6,755	4,212	(2,543)
Interest Income	360	360	33,596	33,236
Other	20,206	20,206	19,381	(825)
Total Revenues	362,731	362,731	350,549	(12,182)
Expenditures				
Current:				
General Government	189,731	189,731	137,898	51,833
Streets	4,700	4,700	4,953	(253)
Parks and Recreation	19,192	19,192	11,307	7,885
Library and Museum	131,368	131,368	92,522	38,846
Community Center	14,540	14,540	9,765	4,775
Capital Outlay	3,200	3,200	614	2,586
Total Expenditures	362,731	362,731	257,059	105,672
Net Change in Fund Balances	-	-	93,490	93,490
Fund Balances - Beginning	-	-	630,062	630,062
Fund Balances - Ending	$ -	$ -	$ 723,552	$ 723,552

City of Notus, Idaho
Budgetary (GAAP Basis) Comparison Schedule
Street Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 21,600	$ 21,600	$ 27,262	$ 5,662
Licenses and Permits	5,620	5,620	6,043	423
Intergovernmental	50,855	50,855	62,062	11,207
Grants and Donations	14,500	14,500	15,382	882
Interest Income	-	-	7,579	7,579
Other	-	-	817	817
Total Revenues	92,575	92,575	119,145	26,570
Expenditures				
Current:				
Streets	91,825	91,825	75,929	15,896
Capital Outlay	750	750	-	750
Total Expenditures	92,575	92,575	75,929	16,646
Net Change in Fund Balances	-	-	43,216	43,216
Fund Balances - Beginning	-	-	233,927	233,927
Fund Balances - Ending	$ -	$ -	$ 277,143	$ 277,143

City of Notus, Idaho
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to September 1, the City Manager, Mayor, and City Council prepare a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted at the City Hall to obtain taxpayer comments.

C. Prior to October 1, the budget is legally enacted through passage of an ordinance.

D. The City is authorized to transfer budgeted amounts between departments within any fund; however, no revision can be made to increase the overall tax supported funds except when federal or state grants are approved. The City, however, must follow the same budgetary procedures as they followed when the original budget was approved. The budget for Enterprise funds may also be revised in the same manner as those situations involving federal and state grants.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Street fund.

City of Notus, Idaho
Schedules of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years

Schedule of the City of Notus' Share of Net Pension Liability

Year	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered-employee payroll	City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0016241%	$ 60,750	$ 78,862	77.03%	85.54%
2023	0.0019859%	$ 79,251	$ 80,524	98.42%	83.83%
2022	0.0018414%	$ 72,527	$ 77,243	93.89%	83.09%
2021	0.0017667%	$ (1,395)	$ 66,201	-2.11%	100.36%
2020	0.0014839%	$ 34,458	$ 60,257	57.19%	88.22%
2019	0.0011175%	$ 12,756	$ 37,824	33.72%	93.79%
2018	0.0018404%	$ 27,146	$ 50,660	53.58%	91.69%
2017	0.0019961%	$ 31,375	$ 61,448	51.06%	90.68%
2016	0.0027335%	$ 55,412	$ 73,559	75.33%	87.26%
2015	0.0024701%	$ 32,527	$ 67,971	47.85%	91.38%

Data reported is measured as of June 30, 2024

Schedule of the City of Notus' Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contributions deficiency (excess)	City's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 8,965	$ 8,965	-	$ 78,862	11.37%
2023	$ 9,475	$ 9,475	-	$ 80,524	11.77%
2022	$ 9,223	$ 9,223	-	$ 77,243	11.94%
2021	$ 7,904	$ 7,904	-	$ 66,201	11.94%
2020	$ 7,195	$ 7,195	-	$ 60,257	11.94%
2019	$ 4,337	$ 4,337	-	$ 37,824	11.47%
2018	$ 5,735	$ 5,735	-	$ 50,660	11.32%
2017	$ 6,956	$ 6,956	-	$ 61,448	11.32%
2016	$ 8,327	$ 8,327	-	$ 73,559	11.32%
2015	$ 7,694	$ 7,694	-	$ 67,971	11.32%

Data reported is measured as of September 30, 2024

SUPPLEMENTAL INFORMATION

City of Notus, Idaho
Supplemental Schedule of Revenues by Source -
Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Taxes			
Property Taxes	$ 111,141	$ 100,766	$ (10,375)
Licenses and Permits			
Building Permits	15,000	7,662	(7,338)
Dog Licenses	60	69	9
Franchise Fees	150	181	31
Total Licenses and Permits	15,210	7,912	(7,298)
Intergovernmental			
State Liquor Fees	27,500	25,985	(1,515)
State Sales Tax	74,828	69,343	(5,485)
Total Intergovernmental	102,328	95,328	(7,000)
Charges for Services			
Community Center	6,000	3,875	(2,125)
Other	755	337	(418)
Total Irrigation	6,755	4,212	(2,543)
Other			
Miscellaneous	20,206	19,381	(825)
Interest Income	360	33,596	33,236
Grants & Donations	106,731	89,354	(17,377)
Total Other	127,297	142,331	15,034
Total Revenue	$ 362,731	$ 350,549	$ (12,182)

City of Notus, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure -
Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
General Government			
Wages	$ 39,350	$ 29,793	$ 9,557
Benefits	7,555	6,052	1,503
Insurance	9,451	9,451	-
Dues and Subscriptions	1,525	1,426	99
Training	2,000	697	1,303
Supplies	8,995	7,562	1,433
Fuel	750	1,130	(380)
Utilities and Phone	5,095	4,219	876
Professional Services	33,060	33,651	(591)
Maintenance and Operations	58,400	37,125	21,275
Other Expense	23,550	6,792	16,758
Capital Outlay	2,000	614	1,386
Total General Government	191,731	138,512	53,219
Streets			
Maintenance and Operations	4,700	4,953	(253)
Total Streets	4,700	4,953	(253)
Parks and Recreation			
Wages	11,200	8,227	2,973
Benefits	2,122	1,853	269
Utilities and Phone	300	124	176
Maintenance and Operations	5,570	1,103	4,467
Total Parks and Recreation	19,192	11,307	7,885
Library and Museums			
Wages	12,659	11,774	885
Utilities and Phone	4,058	2,648	1,410
Maintenance and Operations	900	1,450	(550)
Other Expense	113,751	76,650	37,101
Capital Outlay	1,200	-	1,200
Total Library and Museums	132,568	92,522	40,046
Community Center			
Utilities and Phone	1,320	1,423	(103)
Other Expense	13,100	8,284	4,816
Supplies	120	58	62
Total Community Center	14,540	9,765	4,775
Total Expenditures	$ 362,731	$ 257,059	$ 105,672

FEDERAL REPORTS

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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

Honorable Mayor
and City Council
Notus, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City Notus, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Notus, Idaho's basic financial statements and have issued our report thereon dated December 11, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Notus, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Notus, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Notus, Idaho's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 that we consider to be material weaknesses.

Compliance and Other Matters

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

The City of Notus, Idaho's Response to Findings

The City of Notus, Idaho's response to the findings identified in our engagement is described in the accompanying schedule of findings and responses. The City of Notus, Idaho's response was no subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
December 11, 2024

2024-001: Bank Reconciliations

Conditions: While performing the audit it was noted that the Treasurer had not completed accurate bank reconciliations for the year under audit

Criteria: The City should have controls in place to make sure that all bank accounts are reconciled monthly.

Effect: This increases the risk of a misstatement to go unnoticed or fail to be corrected in a timely manner, whether due to error or fraud.

Recommendations: The City should put procedures in place to make sure that all bank accounts are reconciled in the accounting software monthly.