

CITY OF MARSING, IDAHO

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

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Independent Auditor's Report

Honorable Mayor
and City Council
Marsing, 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, each major fund, and the aggregate remaining fund information of the City of Marsing (the City), Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marsing, 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 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 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'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'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 generally accepted auditing standards and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the City's proportionate share of the Net Pension Liability, and schedule of City contributions on pages 34 through 38 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.

The City has not presented management's discussion and analysis that governmental 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 Marsing, Idaho's basic financial statements. The supplemental schedules or revenue by source and expenditure by object are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules or revenue by source and expenditure by object 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, supplemental schedules or revenue by source and expenditure by object 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 May 13, 2025, on our consideration of the City of Marsing, 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 Marsing, Idaho's internal control over financial reporting and compliance.

Zwysart John & Associates, CPAs PLLC

Nampa, Idaho
May 13, 2025

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

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 485,454	\$ 2,597,495	\$ 3,082,949
Receivables, Net			
Accounts	322	90,031	90,353
Property Taxes	11,938	-	11,938
Prepaid Items	12,109	20,160	32,269
Due From Fiduciary Funds	75,485	-	75,485
Due From Other Governments	41,501	-	41,501
Total Current Assets	<u>626,809</u>	<u>2,707,686</u>	<u>3,334,495</u>
Noncurrent Assets:			
Restricted Cash	-	180,960	180,960
Land	93,947	119,000	212,947
Buildings, Net	190,191	-	190,191
Equipment, Net	37,358	67,008	104,366
Improvements, Net	445,038	2,623,225	3,068,263
Total Noncurrent Assets	<u>766,534</u>	<u>2,990,193</u>	<u>3,756,727</u>
Total Assets	<u>1,393,343</u>	<u>5,697,879</u>	<u>7,091,222</u>
Deferred Outflows			
Pension Related Items	37,750	30,885	68,635
Total Deferred Outflows	<u>37,750</u>	<u>30,885</u>	<u>68,635</u>
Liabilities			
Accounts Payable and Other Current Liabilities	169,071	18,431	187,502
Deposits From Others	-	2,876	2,876
Accrued Interest	-	16,876	16,876
Long-Term Liabilities:			
Due Within One Year:			
Compensated Absences	10,466	13,190	23,656
Loans Payable	-	130,781	130,781
Due in More than One Year:			
Loans Payable	-	975,517	975,517
Net Pension Liability	161,726	132,320	294,046
Total Liabilities	<u>341,263</u>	<u>1,289,991</u>	<u>1,631,254</u>
Deferred Inflows			
Pension Related Items	2,935	2,402	5,337
Total Deferred Inflows	<u>2,935</u>	<u>2,402</u>	<u>5,337</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	766,534	1,702,935	2,469,469
Restricted	-	180,960	180,960
Unrestricted (Deficit) Surplus	320,361	2,552,476	2,872,837
Total Net Position	<u>\$ 1,086,895</u>	<u>\$ 4,436,371</u>	<u>\$ 5,523,266</u>

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
	Expenses						
Primary Government:							
Governmental Activities:							
General Administration	517,005	\$ 33,687	\$ -	\$ -	\$ (483,318)	\$ -	\$ (483,318)
Roads and Streets	354,583	-	-	-	(354,583)	-	(354,583)
Other Governmental Activities	63,030	-	-	-	(63,030)	-	(63,030)
Total Governmental Activities	934,618	33,687	-	-	(900,931)	-	(900,931)
Business-Type Activities:							
Water	333,960	544,796	-	-	-	210,836	210,836
Sewer	295,503	423,521	-	-	-	128,018	128,018
Irrigation	102,096	47,879	-	-	-	(54,217)	(54,217)
Sanitation	123,984	133,334	-	-	-	9,350	9,350
Total Business-Type Activities	855,543	1,149,530	-	-	-	293,987	293,987
Total Primary Government	\$ 1,790,161	\$ 1,183,217	\$ -	\$ -	(900,931)	293,987	(606,944)
General Revenues:							
Property Taxes					215,953	-	215,953
State Sources					332,507	-	332,507
Other					12,790	-	12,790
Unrestricted Investment Earnings					85,441	66,251	151,692
Total General Revenues and Special Items					646,691	66,251	712,942
Change in Net Position					(254,240)	360,238	105,998
Net Position, Beginning of Year					1,341,135	4,076,133	5,417,268
Net Position, End of Year					<u>\$ 1,086,895</u>	<u>\$ 4,436,371</u>	<u>\$ 5,523,266</u>

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

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

	General	Roads and Streets	Parks	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 337,419	\$ 122,324	\$ 25,711	\$ 485,454
Property Taxes Receivable, Net	5,602	3,446	2,890	11,938
Accounts Receivable	-	322	-	322
Prepaid Items	8,825	1,673	1,611	12,109
Due From Fiduciary Funds	75,485	-	-	75,485
Due From Other Governments	41,501	-	-	41,501
Total Assets	<u>\$ 468,832</u>	<u>\$ 127,765</u>	<u>\$ 30,212</u>	<u>\$ 626,809</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Other Current Liabilities	\$ 5,421	\$ 163,161	\$ 489	\$ 169,071
Total Liabilities	<u>5,421</u>	<u>163,161</u>	<u>489</u>	<u>169,071</u>
Deferred Inflows				
Unearned Revenue - Property Taxes	4,675	2,876	2,412	9,963
Total Deferred Inflows	<u>4,675</u>	<u>2,876</u>	<u>2,412</u>	<u>9,963</u>
Fund Balances:				
Nonspendable	8,825	1,673	1,611	12,109
Committed	273,000	-	-	273,000
Unassigned	176,911	(39,945)	25,700	162,666
Total Fund Balances	<u>458,736</u>	<u>(38,272)</u>	<u>27,311</u>	<u>447,775</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 468,832</u>	<u>\$ 127,765</u>	<u>\$ 30,212</u>	<u>\$ 626,809</u>

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

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

Total Fund Balances - Governmental Funds \$ 447,775

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. The cost of assets consist of:

Land and Construction in Progress	\$ 93,947	
Buildings, Net of \$72,446 Accumulated Depreciation	190,191	
Improvements, Net of \$63,177 Accumulated Depreciation	37,358	
Equipment, Net of \$552,735 Accumulated Depreciation	<u>445,038</u>	
		766,534

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. 9,963

The District 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	\$ (161,726)	
Pension Related Deferred Inflows	(2,935)	
Pension Related Deferred Outflows	<u>37,750</u>	
		(126,911)

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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position

Compensated Absences (10,466)

Net Position of Governmental Activities \$ 1,086,895

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

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

	General	Roads and Streets	Parks	Total Governmental Funds
Revenues				
Property Taxes	\$ 132,387	\$ 63,658	\$ 25,241	\$ 221,286
Licenses and Permits	33,687	-	-	33,687
Intergovernmental	130,456	172,602	29,449	332,507
Interest	49,133	31,803	4,505	85,441
Other	11,243	1,547	-	12,790
Total Revenues	<u>356,906</u>	<u>269,610</u>	<u>59,195</u>	<u>685,711</u>
Expenditures				
Current:				
Personnel Services	157,123	45,102	37,694	239,919
Supplies and Other Charges	256,687	239,102	19,932	515,721
Capital Outlay	260	74,708	14,581	89,549
Total Expenditures	<u>414,070</u>	<u>358,912</u>	<u>72,207</u>	<u>845,189</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(57,164)</u>	<u>(89,302)</u>	<u>(13,012)</u>	<u>(159,478)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	100,000	100,000
Transfers (Out)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balances	(157,164)	(89,302)	86,988	(159,478)
Fund Balances - Beginning	615,900	51,030	(59,677)	355,306
Fund Balances - Ending	<u>\$ 458,736</u>	<u>\$ (38,272)</u>	<u>\$ 27,311</u>	<u>\$ 195,828</u>

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

City of Marsing, 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 \$ (159,478)

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 and any remaining balance is deducted when disposed. In the current period these amounts are:

Capital Outlay	18,354
Depreciation Expense	(90,006)

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. (5,333)

The District 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.

(17,777)

Change in Net Position of Governmental Activities \$ (254,240)

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

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

	Business-Type Activities - Enterprise Funds				
	Water	Sewer	Irrigation	Sanitation	Total
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 1,829,907	\$ 767,588	\$ -	\$ -	\$ 2,597,495
Receivables, Net	47,001	30,415	3,853	8,762	90,031
Prepaid Items	6,025	8,195	3,819	2,121	20,160
Internal Balances	228,984	-	-	-	228,984
Total Current Assets	2,111,917	806,198	7,672	10,883	2,936,670
Noncurrent Assets:					
Restricted Cash	102,850	78,110	-	-	180,960
Capital Assets:					
Land	55,000	64,000	-	-	119,000
Equipment, Net	14,327	24,756	27,925	-	67,008
Improvements, Net	2,310,853	311,895	477	-	2,623,225
Total Noncurrent Assets	2,483,030	478,761	28,402	-	2,990,193
Total Assets	4,594,947	1,284,959	36,074	10,883	5,926,863
Deferred Outflows					
Pension Related Items	20,592	10,293	-	-	30,885
Total Deferred Outflows	20,592	10,293	-	-	30,885
Liabilities					
Current Liabilities:					
Internal Balances	-	-	185,566	43,418	228,984
Accounts Payable and Other Current Liabilities	9,861	7,084	1,112	374	18,431
Compensated Absences	7,948	5,242	-	-	13,190
Accrued Interest	15,716	1,160	-	-	16,876
Deposits From Others	2,876	-	-	-	2,876
Current Portion Notes Payable	83,991	46,790	-	-	130,781
Total Current Liabilities	120,392	60,276	186,678	43,792	411,138
Noncurrent Liabilities:					
Notes Payable Less Current Portion	975,517	-	-	-	975,517
Net Pension Liability	88,214	44,106	-	-	132,320
Total Liabilities	1,063,731	44,106	-	-	1,107,837
Deferred Inflows					
Pension Related Items	1,601	801	-	-	2,402
Total Deferred Inflows	1,601	801	-	-	2,402
Net Position					
Invested in Capital Assets,					
Net of Related Debt	1,320,672	353,861	28,402	-	1,702,935
Restricted for Debt Service	102,850	78,110	-	-	180,960
Unrestricted	2,006,293	758,098	(179,006)	(32,909)	2,552,476
Total Net Position	\$ 3,429,815	\$ 1,190,069	\$ (150,604)	\$ (32,909)	\$ 4,436,371

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

City of Marsing, 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	Irrigation	Sanitation	Total
Operating Revenues					
Charges for Services	\$ 537,229	\$ 339,271	\$ 44,212	\$ 133,334	\$ 1,054,046
Hookups	5,170	84,000	-	-	89,170
Other Revenue	2,397	250	3,667	-	6,314
Total Operating Revenues	544,796	423,521	47,879	133,334	1,149,530
Operating Expenses					
Personnel Services	91,844	98,347	36,883	4,409	231,483
Personnel Benefits	46,458	43,961	15,461	830	106,710
Legal and Professional	5,630	8,387	743	833	15,593
Purchased Services	12,445	16,190	3,866	116,195	148,696
Operating Supplies	21,897	62,118	13,782	-	97,797
Utilities	22,300	17,520	17,913	-	57,733
Insurance	1,870	1,870	1,870	1,717	7,327
Other Services and Charges	5,036	1,709	2,236	-	8,981
Purchased Repairs	2,162	1,086	-	-	3,248
Travel and Meetings	3,406	3,161	-	-	6,567
Capital Outlay	5,406	14,767	5,524	-	25,697
Depreciation	96,402	22,621	3,818	-	122,841
Total Operating Expenses	314,856	291,737	102,096	123,984	832,673
Operating Income (Loss)	229,940	131,784	(54,217)	9,350	316,857
Nonoperating Revenues (Expenses)					
Interest Expense	(19,104)	(3,766)	-	-	(22,870)
Investment Earnings	42,933	23,142	15	161	66,251
Total Nonoperating Revenues (Expenses)	23,829	19,376	15	161	43,381
Change in Net Position	253,769	151,160	(54,202)	9,511	360,238
Net Position - Beginning	3,176,046	1,038,909	(96,402)	(42,420)	4,076,133
Net Position - Ending	<u>\$ 3,429,815</u>	<u>\$ 1,190,069</u>	<u>\$ (150,604)</u>	<u>\$ (32,909)</u>	<u>\$ 4,436,371</u>

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

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

	Business-Type Activities - Enterprise Funds				
	Water	Sewer	Irrigation	Sanitation	Total
Cash Flows From Operating Activities					
Cash Receipts from Customers	\$ 535,369	\$ 416,577	\$ 46,619	\$ 132,118	\$ 1,130,683
Payments to Employees for Services	(128,606)	(137,459)	(52,344)	(5,239)	(323,648)
Payments to Suppliers for Goods or Services	(84,071)	(130,091)	(48,730)	(128,958)	(391,850)
Net Cash Provided (Used) by Operating Activities	<u>322,692</u>	<u>149,027</u>	<u>(54,455)</u>	<u>(2,079)</u>	<u>415,185</u>
Cash Flows From Capital and Related Financing Activities					
Purchases and Construction of Capital Assets	(9,177)	(9,177)	(13,536)	-	(31,890)
Principal Paid on Capital Debt	(82,522)	(44,921)	-	-	(127,443)
Interest Paid on Capital Debt	(20,328)	(3,898)	-	-	(24,226)
Net Cash Provided (Used) From Capital and Related Financing Activities	<u>(112,027)</u>	<u>(57,996)</u>	<u>(13,536)</u>	<u>-</u>	<u>(183,559)</u>
Cash Flows From Investing Activities					
Interest and Dividends	<u>42,933</u>	<u>23,142</u>	<u>15</u>	<u>161</u>	<u>66,251</u>
Net Increase (Decrease) in Cash and Cash Equivalents	253,598	114,173	(67,976)	(1,918)	297,877
Cash and Cash Equivalents - Beginning	<u>1,908,143</u>	<u>731,525</u>	<u>(117,590)</u>	<u>(41,500)</u>	<u>2,480,578</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 2,161,741</u></u>	<u><u>\$ 845,698</u></u>	<u><u>\$ (185,566)</u></u>	<u><u>\$ (43,418)</u></u>	<u><u>\$ 2,778,455</u></u>
Displayed As:					
Cash and Cash Equivalents	\$ 1,829,907	\$ 767,588	\$ -	\$ -	\$ 2,597,495
Internal Balances	228,984	-	(185,566)	(43,418)	-
Restricted Cash	102,850	78,110	-	-	180,960
	<u><u>\$ 2,161,741</u></u>	<u><u>\$ 845,698</u></u>	<u><u>\$ (185,566)</u></u>	<u><u>\$ (43,418)</u></u>	<u><u>\$ 2,778,455</u></u>

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

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

	Business-Type Activities - Enterprise Funds				
	Water	Sewer	Irrigation	Sanitation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 229,940	\$ 131,784	\$ (54,217)	\$ 9,350	\$ 316,857
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	96,402	22,621	3,818	-	122,841
(Increase) Decrease in Accounts Receivable	(9,877)	(6,944)	(1,260)	(1,216)	(19,297)
(Increase) Decrease in Prepaid Expenses	(5,153)	(5,214)	(838)	(12)	(11,217)
(Increase) Decrease in Deferred Outflows	17,859	8,930	-	-	26,789
Increase (Decrease) in Accounts Payable	1,234	1,931	(1,958)	(10,201)	(8,994)
Increase (Decrease) in Customer Deposits	450	-	-	-	450
Increase (Decrease) in Net Pension Liability	(9,764)	(4,882)	-	-	(14,646)
Increase (Decrease) in Deferred Inflows	1,601	801	-	-	2,402
Net Cash Provided by Operating Activities	<u>\$ 322,692</u>	<u>\$ 149,027</u>	<u>\$ (54,455)</u>	<u>\$ (2,079)</u>	<u>\$ 415,185</u>

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

City of Marsing, Idaho
Statement of Fiduciary Net Position
For the Year Ended September 30, 2024

	<u>Fireworks</u>	<u>OC Fitness</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 13,104	\$ -	\$ 13,104
Liabilities			
Accounts Payable	-	75,485	75,485
Total Liabilities	<u>-</u>	<u>75,485</u>	<u>75,485</u>
Net Position			
Restricted for:			
Individuals, Organization	13,104	(75,485)	(62,381)
Total Net Position	<u>\$ 13,104</u>	<u>\$ (75,485)</u>	<u>\$ (62,381)</u>

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

City of Marsing, Idaho
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

	<u>Fireworks</u>	<u>OC Fitness</u>	<u>Total</u>
Additions:			
Income	\$ 10,092	\$ 49,515	\$ 59,607
Deductions			
Supplies and Charges	<u>11,590</u>	<u>125,000</u>	<u>136,590</u>
Total Deductions	<u>11,590</u>	<u>125,000</u>	<u>136,590</u>
Change in Net Position	(1,498)	(75,485)	(136,590)
Net Position - Beginning	<u>14,602</u>	<u>-</u>	<u>14,602</u>
Net Position - Ending	<u><u>\$ 13,104</u></u>	<u><u>\$ (75,485)</u></u>	<u><u>\$ (121,988)</u></u>

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

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of the City of Marsing, Idaho (the City), which has responsibility and control over all activities related to public safety; planning and zoning; roads, streets, and parks; and water and sewer services 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. Board 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 non-exchange 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 identifiable activity 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.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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.

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. Planning and Zoning activities within the City limits are accounted for in a separate fund in the City's accounting system. However, for financial statement reporting purposes, this fund is reported as part of the General fund as there have been no third-party restrictions placed on the accumulated resources.
- *Roads and Streets fund.* This fund accounts for the activities related to the City's roads and streets.
- *Parks fund.* This fund accounts for the activities related to the City's parks.

Proprietary fund operating revenues and expenses are related to providing water and sewer services to the residents and businesses of the City of Marsing, 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 has 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 operations and collections of the City's sewer system.
- *Irrigation fund.* This fund accounts for the operations and collections of the City's irrigation system.
- *Sanitation fund.* This fund accounts for the operations and collections of the City's sanitation services.

The City has the following fiduciary fund:

Fireworks fund. This fund accounts for the activities with regards to the city fireworks. All revenue is from local organizations and is used only for fireworks.

OC Fitness. This fund accounts for the activities with regards to the OC Fitness Center. All revenue is from local organizations and is used only for the OC Fitness Center.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

Basis of Accounting

The government-wide proprietary fund financial statements, and fiduciary 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.

Non-exchange 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.** Balances that cannot be spent because it is either not in spendable form (such as inventory or prepaid expense) or it is legally or contractually required to be maintained intact.
- **Restricted.** Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- **Unassigned.** Balances available for any purpose.

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 assets/fund balance 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.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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.

The Roads and Streets fund is restricted by both property tax levy and state forest funds. The Parks funds are restricted by property tax levy, as well.

C. Assets and Liabilities

Cash Equivalents

The City requires all cash belonging to the City to be placed in custody of the Clerk. 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 included in the pooled cash and investment accounts are considered to be cash and cash equivalents. See Note 2.

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

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. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 of the succeeding year, 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 <u>Policy</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>	
Buildings and Improvements	\$1,000	Straight-Line	5 – 40 Years
Equipment and Vehicles	\$1,000	Straight-Line	3 – 15 Years

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

General infrastructure assets acquired prior to October, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October, 2003.

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

Compensated Absences

The City uses the vesting method to vacation leave.

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.

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

Deposits

As of September 30, 2024, the carrying amount of the City's deposits were \$246,622 and the respective bank balances totaled \$253,992. All of the 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. The City holds \$246 for change in the cash register. The City does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other 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.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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 investment 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	Fair Value	Maturity (in Years)
		Less than 1
External Investment Pool	\$ 3,010,068	\$ 3,010,068
Certificate of Deposit	20,077	20,077
	<u>\$ 3,030,145</u>	<u>\$ 3,030,145</u>

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

	Governmental Activities	Business - Type Activities	Total	Fiduciary Funds
Cash and cash equivalents	\$ (1,481,114)	\$ 1,714,878	\$ 233,764	\$ 13,104
Restricted investments categorized as deposits	-	180,960	180,960	-
Investments categorized as deposits	<u>1,966,568</u>	<u>882,617</u>	<u>2,849,185</u>	<u>-</u>
	<u>\$ 485,454</u>	<u>\$ 2,778,455</u>	<u>\$3,263,909</u>	<u>\$ 13,104</u>

The restricted cash is money set aside to satisfy bond reserve requirements.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

3. ACCOUNTS RECEIVABLE

Accounts Receivable for the Enterprise Funds consist of the following:

	<u>Water</u>	<u>Sewer</u>	<u>Irrigation</u>	<u>Sanitation</u>
Accounts Receivable	\$ 47,001	\$ 30,415	\$ 3,853	\$ 8,762
Allowance for Uncollectible Accounts	-	-	-	-
Accounts Receivable, Net	<u>\$ 47,001</u>	<u>\$ 30,415</u>	<u>\$ 3,853</u>	<u>\$ 8,762</u>

4. 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.

5. CAPITAL ASSETS

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

	<u>9/30/2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2024</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 93,947	\$ -	\$ -	\$ 93,947
Capital Assets Being Depreciated:				
Buildings	262,637	-	-	262,637
Improvements	997,773	-	-	997,773
Equipment	82,181	18,354	-	100,535
Total Historical Cost	<u>1,342,591</u>	<u>18,354</u>	<u>-</u>	<u>1,360,945</u>
Less: Accumulated Depreciation				
Buildings	65,157	7,289	-	72,446
Improvements	474,983	77,752	-	552,735
Equipment	58,212	4,965	-	63,177
Total Acc. Depr.	<u>598,352</u>	<u>90,006</u>	<u>-</u>	<u>688,358</u>
Net Depreciable Assets	<u>744,239</u>	<u>(71,652)</u>	<u>-</u>	<u>672,587</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 838,186</u>	<u>\$ (71,652)</u>	<u>\$ -</u>	<u>\$ 766,534</u>

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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

General Administration	\$ 16,239
Roads and Streets	22,647
Parks	51,120
	<u>\$ 90,006</u>

	<u>9/30/2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2024</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 119,000	\$ -	\$ -	\$ 119,000
Capital Assets Being Depreciated:				
Buildings	206,694	-	-	206,694
Improvements	4,613,890	-	(30,810)	4,583,080
Equipment	188,547	31,890	-	220,437
Total Historical Cost	<u>5,009,131</u>	<u>31,890</u>	<u>(30,810)</u>	<u>5,010,211</u>
Less: Accumulated Depreciation				
Buildings	206,694	-	-	206,694
Improvements	1,880,615	110,050	(30,810)	1,959,855
Equipment	140,638	12,791	-	153,429
Total Acc. Depr.	<u>2,227,947</u>	<u>122,841</u>	<u>(30,810)</u>	<u>2,319,978</u>
Net Depreciable Assets	<u>2,781,184</u>	<u>(90,951)</u>	<u>-</u>	<u>2,690,233</u>
Business-Type Activities				
Capital Assets - Net	<u>\$ 2,900,184</u>	<u>\$ (90,951)</u>	<u>\$ -</u>	<u>\$ 2,809,233</u>

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

Water	\$ 96,402
Sewer	22,621
Irrigation	3,818
	<u>\$ 122,841</u>

6. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units (State of Idaho) consist of state revenue sharing of \$41,501 .

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

7. PENSION PLAN

Plan Description

The City of Marsing, 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) 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 for 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 and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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 September 30, 2024 it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City of Marsing, Idaho's contributions were \$44,051 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 Marsing, Idaho reported a liability (asset) for its proportionate share of the net pension liability (asset.) The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City of Marsing, Idaho's proportion of the net pension liability was based on the City of Marsing'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 Marsing's proportion was 0.0078609 percent.

For the year ended September 30, 2024, the City of Marsing recognized pension expense/(revenue) of \$76,374 . At September 30, 2024, the City of Marsing, 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	\$ 46,815	\$ -
Changes in assumptions or other inputs	11,648	-
Net difference between projected and actual earnings on pension plan investments	-	5,337
City of Marsing, Idaho's contributions subsequent to the measurement date	10,172	-
Total	\$ 68,635	\$ 5,337

\$10,172 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, 2022, the beginning of the measurement period ended June 30, 2023, is 4.6 years and 4.6 for the measurement period June 30, 2024.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 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	\$ 24,685
2026	54,826
2027	(9,455)
2028	(6,758)

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, 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.

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 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.

Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%

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:

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ 558,782	\$ 294,049	\$ 77,827

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.

8. COMPENSATED ABSENCES

Vacation leave is granted to all regular City employees. 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:

	<u>9/30/23</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/24</u>	<u>Current Portion</u>
Governmental Activities	\$ 5,695	\$ 17,021	\$(12,250)	\$ 10,466	\$ 10,466
Business-Type Activities	10,174	27,430	(24,414)	13,190	13,190
	<u>\$ 15,869</u>	<u>\$ 44,451</u>	<u>\$(36,664)</u>	<u>\$ 23,656</u>	<u>\$ 23,656</u>

9. LONG-TERM OBLIGATIONS

Business-Type Activities:

Notes payable have been issued to provide funds for sewer projects.

A summary of long-term liability activity for the year ended September 30, 2024, is as follows:

	<u>Maturity</u>	<u>Rate</u>	<u>Required Reserve</u>	<u>9/30/2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2024</u>	<u>Current Portion</u>
N/P - RD 92-02	2025	4.500%	\$ 24,447	\$ 45,782	\$ -	\$ (22,426)	\$ 23,356	\$ 23,356
N/P - RD 92-03	2025	4.500%	24,372	45,929	-	(22,495)	23,434	23,434
Zions Bank	2035	1.780%	-	1,142,030	-	(82,522)	1,059,508	83,991
			<u>\$ 48,819</u>	<u>\$ 1,233,741</u>	<u>\$ -</u>	<u>\$ (127,443)</u>	<u>\$ 1,106,298</u>	<u>\$ 130,781</u>

City of Marsing, Idaho
Notes to Financial Statements
For the Year Ended September 30, 2024

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

Year Ending September 30,	Business-Type Activities:		
	Bonds and Notes		
	Principal	Interest	Total
2025	\$ 130,781	\$ 20,848	\$ 151,629
2026	85,486	17,364	102,850
2027	87,007	15,843	102,850
2028	88,556	14,294	102,850
2029	90,132	12,718	102,850
2030 - 2034	475,307	38,943	514,250
2035 - 2036	149,029	3,522	152,551
	<u>\$1,106,298</u>	<u>\$ 123,531</u>	<u>\$ 1,229,830</u>

The amount of interest charged to expense for long term obligations for the year ending September 30, 2024, was \$22,870 . No interest was capitalized.

10. OTHER COMMITMENTS

The City also has credit cards available for use. As of September 30, 2024, credit available on these credit cards totaled \$26,300, \$908 of which was in use.

11. DEFICIT FUND BALANCES

The following funds had a deficit fund balance as of September 30, 2024, these amounts are to be repaid in the following year:

Funds:	Deficit Fund Balances
Road and Street	\$ 28,272
Irrigation	150,623
Sanitation	32,909
	<u>\$ 211,804</u>

12. Interfund Balances and Transfers

The General Fund fronted funds to the OC Fitness Fund to cover up-front costs of the project. The balance due between funds as of September 30, 2024 was:\$75,485.

Operating transfers between funds were as follows:

Fund Transferred To	Fund Transferred from	Amount	Principal Purpose
Park Fund	General Fund	\$ 100,000	Cover operations for Park

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 303,500	\$ 303,500	\$ 132,387	\$ (171,113)
Licenses and Permits	50,300	50,300	33,687	(16,613)
Intergovernmental	160,000	160,000	130,456	(29,544)
Interest	26,750	26,750	49,133	22,383
Other	33,200	33,200	11,243	(21,957)
Total Revenues	<u>573,750</u>	<u>573,750</u>	<u>356,906</u>	<u>(216,844)</u>
Expenditures				
Current:				
Personnel Services	176,200	176,200	157,123	19,077
Supplies and Other Charges	359,500	359,500	256,687	102,813
Capital Outlay	332,798	332,798	260	332,538
Total Expenditures	<u>868,498</u>	<u>868,498</u>	<u>414,070</u>	<u>454,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(294,748)</u>	<u>(294,748)</u>	<u>(57,164)</u>	<u>237,584</u>
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	-	(100,000)
Transfers (Out)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	(394,748)	(394,748)	(157,164)	237,584
Fund Balances - Beginning	394,748	394,748	615,900	221,152
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,736</u>	<u>\$ 458,736</u>

City of Marsing, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Roads and Streets
 For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 150,700	\$ 150,700	\$ 63,658	\$ (87,042)
Intergovernmental	130,000	130,000	172,602	42,602
Grants	100,000	100,000	-	(100,000)
Interest	15,000	15,000	31,803	16,803
Other	1,000	1,000	1,547	547
Total Revenues	<u>396,700</u>	<u>396,700</u>	<u>269,610</u>	<u>(127,090)</u>
Expenditures				
Current:				
Personnel Services	61,000	61,000	45,102	15,898
Supplies and Other Charges	502,000	502,000	239,102	262,898
Capital Outlay	<u>(87,000)</u>	<u>(87,000)</u>	<u>74,708</u>	<u>(161,708)</u>
Total Expenditures	<u>476,000</u>	<u>476,000</u>	<u>358,912</u>	<u>117,088</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(79,300)</u>	<u>(79,300)</u>	<u>(89,302)</u>	<u>(10,002)</u>
Net Change in Fund Balances	(79,300)	(79,300)	(89,302)	(10,002)
Fund Balances - Beginning	<u>79,300</u>	<u>79,300</u>	<u>51,030</u>	<u>(28,270)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,272)</u>	<u>\$ (38,272)</u>

City of Marsing, Idaho
 Budgetary (GAAP Basis) Comparison Schedule
 Parks
 For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	\$ 50,500	\$ 50,500	\$ 25,241	\$ (25,259)
Intergovernmental	30,000	30,000	29,449	(551)
Interest	5,000	5,000	4,505	(495)
Total Revenues	85,500	85,500	59,195	(26,305)
Expenditures				
Current:				
Personnel Services	53,000	53,000	37,694	15,306
Supplies and Other Charges	47,050	47,050	19,932	27,118
Capital Outlay	122,900	122,900	14,581	108,319
Total Expenditures	222,950	222,950	72,207	150,743
Excess (Deficiency) of Revenues Over Expenditures	(137,450)	(137,450)	(13,012)	124,438
Other Financing Sources (Uses)				
Transfers In	101,000	101,000	100,000	(1,000)
Total Other Financing Sources (Uses)	101,000	101,000	100,000	(1,000)
Net Change in Fund Balances	(36,450)	(36,450)	86,988	123,438
Fund Balances - Beginning	36,450	36,450	(59,677)	(96,127)
Fund Balances - Ending	\$ -	\$ -	\$ 27,311	\$ 27,311

City of Marsing, 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 Clerk, 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 Special Revenue funds.
- F. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.
- G. Budgeted amounts were not amended from the amounts originally adopted during the fiscal year ended September 30, 2024.
- H. Expenditures may not legally exceed budgeted appropriations at the fund level. The City does not use the encumbrance method of accounting.

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

Schedule of the City's proportionate 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	0.0078609%	\$ 294,049	\$ 389,050	75.58%	85.54%
2023	0.0081839%	\$ 326,593	\$ 343,203	95.16%	83.83%
2022	0.0076955%	\$ 303,109	\$ 315,055	96.21%	83.09%
2021	0.0075723%	\$ (5,980)	\$ 281,008	-2.13%	100.36%
2020	0.0077858%	\$ 180,797	\$ 289,188	62.52%	88.22%
2019	0.0078786%	\$ 89,932	\$ 263,844	34.09%	93.79%
2018	0.0077774%	\$ 114,718	\$ 260,142	44.10%	91.69%
2017	0.0077582%	\$ 121,946	\$ 234,527	52.00%	90.68%
2016	0.0077517%	\$ 157,139	\$ 244,374	64.30%	87.26%
2015	0.0076237%	\$ 56,122	\$ 218,854	25.64%	91.38%

Data reported is measured as of June 30, 2024

Schedule of City's 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	\$ 44,051	\$ 44,051	\$ -	\$ 389,050	11.32%
2023	\$ 40,365	\$ 40,365	\$ -	\$ 343,203	11.76%
2022	\$ 37,618	\$ 37,618	\$ -	\$ 281,008	13.39%
2021	\$ 33,551	\$ 33,551	\$ -	\$ 281,008	11.94%
2020	\$ 34,529	\$ 34,529	\$ -	\$ 289,188	11.94%
2019	\$ 30,205	\$ 30,205	\$ -	\$ 263,844	11.45%
2018	\$ 29,454	\$ 29,454	\$ -	\$ 260,142	11.32%
2017	\$ 26,555	\$ 26,555	\$ -	\$ 234,527	11.32%
2016	\$ 27,675	\$ 27,675	\$ -	\$ 244,374	11.32%
2015	\$ 24,787	\$ 24,787	\$ -	\$ 218,854	11.33%

Data reported is measured as of September 30, 2024

SUPPLEMENTAL INFORMATION

City of Marsing, Idaho
Supplemental Schedule of Revenues by Source -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Property Taxes			
Property Taxes	\$ 300,000	\$ 131,422	\$ (168,578)
Penalties and Interest	3,500	965	(2,535)
Total Property Taxes	<u>303,500</u>	<u>132,387</u>	<u>(171,113)</u>
Licenses and Permits			
Business Licenses	3,000	1,170	(1,830)
Beer Licenses	1,000	1,040	40
Liquor Licenses	1,500	675	(825)
Wine Licenses	1,500	900	(600)
Peddlers Licenses	500	-	(500)
Catering Licenses	400	350	(50)
Total Licenses and Permits	<u>7,900</u>	<u>4,135</u>	<u>(3,765)</u>
Intergovernmental			
State Liquor Apportionment	45,000	41,243	(3,757)
Court Revenue	15,000	2,951	(12,049)
State Revenue Sharing	100,000	69,944	(30,056)
Total Intergovernmental	<u>160,000</u>	<u>114,138</u>	<u>(45,862)</u>
Interest Earned	<u>26,000</u>	<u>49,173</u>	<u>23,173</u>
Other	<u>22,700</u>	<u>6,770</u>	<u>(15,930)</u>
Total Revenue	<u>\$ 520,100</u>	<u>\$ 306,603</u>	<u>\$ (213,497)</u>

City of Marsing, Idaho
Supplemental Schedule of Expenditures by Object of Expenditure -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel Services			
City Council Salaries	\$ 8,400	\$ 9,689	\$ (1,289)
Mayor's Salary	7,500	6,205	1,295
City Clerk Salary	45,000	54,254	(9,254)
Salary	9,500	8,307	1,193
Benefits	34,800	29,834	4,966
Total Personnel Services	<u>105,200</u>	<u>108,289</u>	<u>(3,089)</u>
Supplies and Other Charges			
Office Supplies	7,500	4,072	3,428
Professional Services	7,500	13,440	(5,940)
Advertising and Publishing	3,500	746	2,754
Insurance	3,500	3,220	280
Travel and Meetings	6,000	5,299	701
Dues and Subscriptions	3,000	284	2,716
Miscellaneous Services	6,500	3,373	3,127
Legal Services	40,000	43,360	(3,360)
Public Relations	20,000	11,639	8,361
Cleaning and Custodial	1,500	698	802
Telephone	2,000	1,537	463
Computer Maintenance	4,000	2,615	1,385
Utilities	22,000	10,430	11,570
Purchased Repair - Building	30,000	8,090	21,910
Other Purchased Services	7,000	7,762	(762)
Law Enforcement/Contingency	88,000	75,213	12,787
Transfer Out	200,000	100,000	100,000
Total Supplies and Other Charges	<u>452,000</u>	<u>291,778</u>	<u>60,222</u>
Capital Outlay	<u>332,798</u>	<u>260</u>	<u>332,538</u>
Total Expenditures	<u>\$ 889,998</u>	<u>\$ 400,327</u>	<u>\$ 389,671</u>

FEDERAL REPORT



ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

Zwygart John & Associates CPAs, PLLC

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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 Performed in Accordance with
*Government Auditing Standards***

Honorable Mayor
and City Council
Marsing, 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 the City of Marsing, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Marsing, Idaho's basic financial statements, and have issued our report thereon dated May 13, 2025.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Marsing, 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*.

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
May 13, 2025