ALBION HIGHWAY DISTRICT
AUDITED FINANCIAL STATEMENTS
September 30, 2024 & 2023

ALBION HIGHWAY DISTRICT

Albion, Idaho

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ARRITT ROBINS WATERS PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Albion Highway District
Albion, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the Albion Highway District as of and for the year ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Albion Highway District'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 of the Albion Highway District, as of September 30, 2024 and 2023, 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 Albion Highway District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- 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 Albion Highway District'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 Albion Highway District'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 management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Albion Highway District has elected not to present MD&A. The omission of this information does not affect our audit opinion.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15th, 2024, on our consideration of the Albion Highway District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Albion Highway District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Albion Highway District's internal control over financial reporting and compliance.

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC
November 15, 2024

ALBION HIGHWAY DISTRICT

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
AS OF SEPTEMBER 30, 2023 AND 2024

	2024			2023		
	General Fund Balance Sheet	Adjustments to GAAP (See notes)	Statement of Net Position	General Fund Balance Sheet	Adjustments to GAAP (See notes)	Statement of Net Position
Assets						
Cash & Cash Equivalents	$ 838,005	$	$ 838,005	$ 652,388	$	$ 652,388
Accounts Receivable	-		-	-		-
Taxes Receivable	219		219	374		374
Prepaid Expenses	8,585		8,585	7,405		7,405
State Revenue Receivable	47,732		47,732	75,687		75,687
Property and Equipment, Net of Accumulated Depreciation		132,151	132,151	-	153,588	153,588
Total Assets	894,542	132,151	1,026,693	735,854	153,588	889,442
Liabilities						
Current Liabilities						
Accounts Payable	5,110		5,110	55,000		55,000
Accrued Payroll Liabilities	3,285		3,285	3,348		3,348
Total Liabilities	8,395	-	8,395	58,349	-	58,349
Deferred Inflows of Resources						
Unavailable Revenue-Property Taxes	219	(219)	-	374	(374)	-
Fund Balance/Net Position						
Unspendable	8,585	(8,585)	-	7,405	(7,405)	-
Unassigned	877,343	(877,343)	-	669,729	(669,729)	-
	894,542			735,854		
Net Position:						
Invested in Capital Assets		132,151	132,151		153,588	153,588
Unrestricted		886,147	886,147		677,506	677,506
Total Net Position		1,018,298	1,018,298		831,094	831,094
		132,151	1,026,693		153,588	889,442

See accompanying notes to financial statements.

ALBION HIGHWAY DISTRICT

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2024

	2024			2023		
	General Fund	Adjustments to GAAP (see notes)	Statement of Activities	General Fund	Adjustments to GAAP (see notes)	Statement of Activities
Expenditures/Expenses						
Commissioners	$ 5,400	$	$ 5,400	$ 5,250	$	$ 5,250
Depreciation	-	21,437	21,437	-	21,598	21,598
Administration	79,245		79,245	82,875		82,875
Equipment Maintenance and Purchases	16,855	-	16,855	8,291		8,291
Road Maintenance	62,907		62,907	125,036		125,036
Fuel, Oil & Diesel	8,171		8,171	7,399		7,399
Insurance	7,670		7,670	6,056		6,056
Total Expenditures/Expenses	180,248	21,437	201,685	234,907	21,598	256,505
Net Expenses-Governmental Activities			201,685			256,505
General Revenues						
Property Taxes	11,853	(155)	11,698	11,974	88	12,062
Highway Use Taxes	191,229		191,229	185,571		185,571
Federal Forest Funds	-		-	-		-
Interest	383		383	380		380
FEMA Flood Reimbursements	-		-	-		-
LIRP Grant	-		-	-		-
Miscellaneous	185,578		185,578	86,514		86,514
Total General Revenues	389,043	(155)	388,888	284,439	88	284,527
Excess Revenues over Expenditures	208,795	(21,592)	187,203	49,532	(21,510)	28,022
Fund Balance/Net Position at Beginning of Year	677,133	216,025	831,093	627,601	237,535	803,071
Fund Balance/Net Position at End of Year	885,928	194,433	1,018,296	677,133	216,025	831,093

See accompanying notes to financial statements.

ALBION HIGHWAY DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2024

	2024				2023			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues								
Property Taxes	$ 8,901	$ 8,901	$ 11,853	$ 2,952	$ 8,901	$ 8,901	$ 11,974	$ 3,073
State Highway Users	136,690	136,690	191,229	54,540	136,690	136,690	185,571	48,882
Federal Forest		-	-	-		-	-	-
Interest	-	-	383	383	-	-	380	380
FEMA Flood Reimbursements			-			-	-	-
LIRP Grant			-			-	-	-
Miscellaneous	43,052	43,052	185,578	142,525	43,052	43,052	86,514	43,462
Carry Over	25,000	25,000	25,000	-	25,000	25,000	25,000	-
Total Revenues	213,643	213,643	414,043	200,400	213,643	213,643	309,439	95,796
Less: Carry over			(25,000)				(25,000)	
Revenues-General			389,043				284,439	
Expenditures								
Commissioners	5,400	5,400	5,400	-	5,400	5,400	5,250	150
Administration	66,300	66,300	79,245	(12,945)	66,300	66,300	82,875	(16,575)
Equipment Maintenance and Purchases	34,451	34,451	16,855	17,596	34,451	34,451	8,291	26,160
Road & Bridge Maintenance & Construction	81,500	81,500	62,907	18,593	81,500	81,500	125,036	(43,536)
Building Supplies and Maintenance	5,000	5,000	-		5,000	5,000		
Insurance	7,992	7,992	7,670	322	7,992	7,992	6,056	1,936
Fuel, Oil, and Diesel	8,000	8,000	8,171	(171)	8,000	8,000	7,399	601
Contingency	5,000	5,000	-	5,000	5,000	5,000	-	5,000
Total Expenditures	213,643	213,643	180,248	28,395	213,643	213,643	234,907	(26,264)
Excess Revenues over Expenditures	-	-	208,795	228,795	-	-	49,532	69,532
Fund Balance at Beginning of Year	223,198	223,198	677,133	453,935	223,198	223,198	627,601	404,403
Fund Balance at End of Year	223,198	223,198	885,928	662,730	223,198	223,198	677,133	453,935

See accompanying notes to financial statements.

ALBION HIGHWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Entity

The District's financial statements include the accounts of all operations under the oversight authority of the Board. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the foregoing criteria, no component units are included in the District's financial statements.

The government wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibiity requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measeurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are recognized as soon as they are both measruable and avialable. Revenues are considered to be available when they are collectible within the current period or soon enought thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the period and other revneues if they are collected within 90 days of the end of the period.

Government-wide Financial Statements:

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nofiduciary activities of the primary government. This District reports only governmental activities and has no business-type or fiduciary activities.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each activity. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the district.

Fund Financial Statements:

The District maintains only one fund, the General Fund, which presents all activities of the District. Accordingly, the General Fund is the only major fund and there are no non-major funds.

Inventory

Inventory held by the District at year end consisted of supplies used in the normal course of busniess and were immaterial to the financial statements, and thus are not included in the financial statements

Capital Assets

The District's assets are capitalized at historic cost or estimated historic costs. Contributed assets are recorded at fair market value when received. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows: Buildings and improvements 10-40 years and equipment 3-10 years.

Budgetary Data

The budget is legally enacted prior to October 1 in accordance with the Idaho Code following an analysis of the proposed expenditures and the means of financing them, and a public budget hearing held to obtain taxpayer comments. The budget is prepared on the modified accrual basis of accounting. The encumbrance method is not used by the District.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through November 15, 2024, the date the audited financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Albion Highway District maintains a checking account and a CD account at DL Evans Bank. The District's cash and investment position is as follows:

	2024	2023
DL Evans Bank checking - general	$778,966	$593,733
DL Evans Bank certificate of deposit	59,038	58,655
	$838,005	$652,388

As of September 30, 2023 and 2024 the District has $343,733 and $528,966 in it's general checking account which is not FDIC insured.

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The District has no investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

Concentration of Credit Risk – The District places no limit on the amount the Treasurer may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, but as indicated above as of yearend, all balances were FDIC insured.

NOTE 3 - TAXES RECEIVABLE

This account represents unremitted property tax revenues levied by the District and collected on their behalf by Cassia County.

Property taxes are levied in November of each year and recognized as revenue when the tax notices are printed. These tax notices indicate the time for collection and are due and payable in equal installments on December 20 and June 20 following the November levy date. If payment is not received upon the due date a 2% penalty is charged to the property and it is classified as past due subject to 12% interest.

Delinquent taxes not collected within 60 days following the close of the District's fiscal year (September 30), are recorded as unavailable revenue.

NOTE 4 – PROPERTY AND EQUIPMENT

Changes in fixed assets during 2023 and 2024 fiscal years are as follows:

	Real estate & Improvements	Equipment	Accumulated Depreciation	Net Book Value
Balance 9/30/22	$346,796	$670,771	($842,381)	$175,186
2023 Additions				
2023 Depreciation			(21,598)	(21,598)
Balance 9/30/23	**346,796**	**670,771**	**(863,979)**	**153,588**
2024 Additions				-
2024 Depreciation			(21,437)	(21,437)
Balance 9/30/24	**346,796**	**670,771**	**(885,416)**	**132,151**

NOTE 5 – EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet presents balances that are current economic resources or liabilities of the funds, while the statement of net position presents all balances that make up the financial condition of the entire entity. The fund balance sheet reconciles to the statement of net assets as follows:

	2024	2023
Fund Balance	885,928	677,133
Capital Assets - net of accumulated depr	132,151	153,588
Unavailable revenue	219	374
Net differences	132,370	153,962
Total Net Assets	1,018,298	831,094

NOTE 6 – EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENT AND THE STATEMENT OF ACTIVITIES

The statement of revenues, expenditures, and changes in fund balance account for revenues and expenditures on current economic resource basis, while the government wide statement of activities accounts for revenues and expenses on a full accrual basis. The statement of revenues, expenditures, and changes in fund balance reconciles to the statement of activities as follows:

	2024	2023
Excess Revenues over Expenditures - Fund Statement	208,795	49,532
Depreciation	(21,437)	(21,598)
Capital Expenditures	-	
Change in unavailable revenue	(155)	88
Excess Revenues over Expenditures - Stmt. of Activities	187,203	28,022

NOTE 7 - RISK MANAGEMENT

The District carries commercial insurance to cover worker's compensation, liability and property. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District belongs to the risk management pool, ICRMP. This is an association of Public entities who insure together to reduce cost while limiting liability.

NOTE 8 – BUDGET TO ACTUAL COMPARISON

The District did not have any budget to modified accrual differences, therefore budget to actual differences are shown.

ARRITT ROBINS WATERS PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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*

Board of Commissioners
Albion Highway District
Albion, 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 of Albion Highway District, as of and for the year ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Albion Highway District's basic financial statements, and have issued our report thereon dated November 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Albion Highway District's internal control over financial reporting (internal control) as a basis for designing 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 Albion Highway District's internal control. Accordingly, we do not express an opinion on the effectiveness of Albion Highway District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC
November 15, 2024

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