DOUMECQ HIGHWAY DISTRICT

FINANCIAL STATEMENTS

Year Ended September 30, 2024

DOUMECQ HIGHWAY DISTRICT

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PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Doumecq Highway District
White Bird, Idaho

Report on the Audit of the Financial Statements

Qualified Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Doumecq Highway District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinions on the General Fund and Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Doumecq Highway District, as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified 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 Doumecq 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinions on the General Fund and Governmental Activities

Management has not tracked the changes in inventory from the prior period. Accounting principles generally accepted in the United States of America require that the District keep track of when additional inventory is purchased and when it is used. Since the District did not track inventory, the amount by which this departure would affect the assets, fund balance, and expenses of the governmental activities has not been determined.

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Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Responsibilities of Management for the Financial Statements

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

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 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 judgement 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 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 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the schedule of pension funding and budgetary comparison schedules on pages 24-25 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 inquires 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 audits 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 Doumecq Highway District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 the missing information.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Doumecq Highway District's basic financial statements. The statements of revenues, expenditures, and changes in fund balances – governmental funds – five-year comparison on page 26 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The statements have been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements are fairly stated in all material respects in relation to the financial statements as a whole.

Report on Comparative Information

The prior year comparative information has been derived from the District's 2023 financial statements and, in our report dated June 21, 2024, we expressed an qualified opinion on the financial statements of the governmental activities and the major fund, for not tracking inventory.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025, on our consideration of the Doumecq Highway District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Doumecq Highway District's internal control over financial reporting and compliance.

Presnell Gage, PLLC

May 28, 2025
Lewiston, Idaho

DOUMECQ HIGHWAY DISTRICT

STATEMENTS OF NET POSITION
September 30, 2024 and 2023

	2024	Prior Year 2023
ASSETS		
Current assets		
Cash and deposits	**$ 520,757**	$ 627,686
Investments	**248,409**	246,552
Intergovernmental receivable	**45,899**	68,703
Accounts receivable	**45,328**	9,627
Prepaid expense	**2,531**	2,531
Total current assets	**862,924**	955,099
Noncurrent assets		
Land	**22,031**	22,031
Equipment	**1,526,669**	1,229,663
Less accumulated depreciation	**(712,187)**	(872,013)
Total noncurrent assets	**836,513**	379,681
Total assets	**1,699,437**	1,334,780
DEFERRED OUTFLOWS OF RESOURCES		
Defined Benefit Pension	**25,016**	52,225
LIABILITIES		
Current liabilities		
Accounts payable	**$ 34,991**	$ 16,192
Accrued wages and taxes	**13,404**	14,243
Credit card payable	**1,095**	26
Total current liabilities	**49,490**	30,461
Noncurrent liabilities		
Net pension liability	**59,207**	84,965
Total noncurrent liabilities	**59,207**	84,965
Total liabilities	**108,697**	115,426
Deferred Inflows of Resources		
Defined benefit pension	**20,209**	11,476
NET POSITION		
Net investment in capital assets	**836,513**	379,681
Unrestricted	**759,034**	880,422
Total net position	**$ 1,595,547**	$ 1,260,103

See accompanying notes

DOUMECQ HIGHWAY DISTRICT

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2024 and 2023

	2024	Prior Year 2023
EXPENSES		
Functions/Programs		
Road and bridge maintenance	**$ 107,081**	$ 117,558
Payroll and payroll burden	**148,351**	135,965
Administrative	**40,166**	32,165
Depreciation expense	**125,845**	70,269
Net Pensions actuarial expense	**10,184**	15,807
Total expenses	**431,627**	371,764
GENERAL REVENUES		
Highway User's Revenue	**$ 356,829**	$ 244,362
Federal Forest funds	**212,837**	236,144
Machine hire	**48,280**	19,813
Earnings on investments	**1,953**	1,924
Other revenue	**172**	153
Gain on disposal of equipment	**147,000**	
Total general revenues	**767,071**	502,396
Change in net position	**335,444**	130,632
NET POSITION, beginning	**1,260,103**	1,129,471
NET POSITION, ending	**$ 1,595,547**	$ 1,260,103

See accompanying notes

DOUMECQ HIGHWAY DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS
September 30, 2024 and 2023

	2024	Prior Year 2023
ASSETS		
Cash and deposits	**$ 520,757**	$ 627,686
Investments	**248,409**	246,552
Intergovernmental receivable	**45,899**	68,703
Accounts receivable	**45,328**	9,627
Prepaid expenditure	**2,531**	2,531
Total assets	**$ 862,924**	$ 955,099
LIABILITIES		
Accounts payable	**$ 34,991**	$ 16,192
Accrued wages and taxes	**13,404**	14,243
Credit card payable	**1,095**	26
Total liabilities	**49,490**	30,461
FUND BALANCE		
Unassigned	**813,434**	924,638
Total liabilities and fund balance	**$ 862,924**	$ 955,099

See accompanying notes

DOUMECQ HIGHWAY DISTRICT

RECONCILIATION OF THE STATEMENTS OF NET POSITION
TO THE BALANCE SHEETS - GOVERNMENTAL FUNDS
September 30, 2024 and 2023

	2024	Prior Year 2023
Total fund balance - governmental funds	**$ 813,434**	$ 924,638
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	**1,548,700**	1,251,694
Accumulated depreciation	**(712,187)**	(872,013)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension asset (liability)	**(59,207)**	(84,965)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred outflows	**25,016**	52,225
Deferred inflows	**(20,209)**	(11,476)
Total net position - governmental activities	**$ 1,595,547**	$ 1,260,103

See accompanying notes

DOUMECQ HIGHWAY DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Years Ended September 30, 2024 and 2023

	2024	Prior Year 2023
REVENUES		
Highway user's revenue	**$ 356,829**	$ 244,362
Federal forest funds	**212,837**	236,144
Machine hire	**48,280**	19,813
Earnings on investments	**1,953**	1,924
Other revenue	**172**	153
Total revenues	**620,071**	502,396
EXPENDITURES		
Payroll and payroll burden	**148,351**	135,965
Road materials and supplies	**56,769**	31,959
Insurance	**10,645**	8,306
Office expense	**7,578**	9,269
Repairs	**32,072**	61,727
Professional fees	**18,018**	12,593
Fuel	**18,240**	23,872
Capital outlay	**435,677**	
Other expenses	**3,925**	1,997
Total expenditures	**731,275**	285,688
NET CHANGE IN FUND BALANCE	**(111,204)**	216,708
FUND BALANCES AT BEGINNING OF YEAR	**924,638**	707,930
FUND BALANCES AT END OF YEAR	**$ 813,434**	$ 924,638

See accompanying notes

DOUMECQ HIGHWAY DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
Years Ended September 30, 2024 and 2023

	2024	Prior Year 2023
Net change in fund balance - governmental funds	**$ (111,204)**	$ 216,708
Amounts reported for governmental activities in the statements of activities are different because:		
Net pension asset, liability, and the related deferred outflows and deferred inflows are not considered available for the governmental fund in the current year.		
Current year net pension liability, deferred outflows and deferred inflows	**(10,184)**	(15,807)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statements of net position and allocated over their estimated useful lives as annual depreciation:		
Current year capital outlay	**435,677**	
Current year depreciation	**(125,845)**	(70,269)
Gain on disposal of equipment	**147,000**	
Change in net position - governmental activities	**$ 335,444**	$ 130,632

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Doumecq Highway District is organized under Section 40-1301 of the *Idaho Code*. The District operates under a Board of Commissioners consisting of three individuals who are each elected from one of the three sub districts within the District. The purpose of the District is to construct, maintain, repair, and improve all highways within the District. The District's reporting entity includes the District government and all related organizations for which the District exercises oversight responsibility as defined by the Governmental Accounting Standards Board.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of the entity.

Measurement Focus and Basis of Accounting. The financial statements of the Doumecq Highway District have been prepared in accordance with United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard–setting body for establishing governmental accounting and financial reporting principles. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, 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 District gives (or receives) value without directly receiving (or giving) equal value in exchange, include highway user's revenue and federal forest funds. Revenue from highway user's revenue and federal forest funds is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year-end. Highway user's revenue and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, 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 debt and acquisitions under leases are reported as other financing sources.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net assets/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

District-Wide Financial Statements. These statements are reported using the economic resources measurement focus and accrual basis of accounting. The statement of net position and the statement of activities display information about the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the highway district. 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 liens for the District's sole function of maintaining road and bridges within the District boundaries. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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, are presented as general revenues.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements. The fund financial statements provide information about the District's general fund. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Use of Estimates. The District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the District uses.

Cash and Investments. The District's cash accounts consist of checking, savings, money market, and certificates of deposit accounts in FDIC insured accounts.

The Public Depository Law authorizes the District to invest surplus or idle funds in certain investments, including obligations of the U.S. Treasury, the State of Idaho, certain Idaho political subdivisions, and time deposit accounts. The District's investments are in certificates of deposit as permitted by *Idaho Code* Section 67-1210.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. All accounts are held in the District's name.

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. All funds are invested in FDIC insured accounts.

Concentration of Credit Risk. The District has no policy on the amount they may invest in any one issuer.

Property Taxes. At the current time, the District has elected not to levy property taxes on the District's property owners.

Gravel Inventory. The District accounts for gravel inventory under the purchase method where such assets are recorded as expenditures in the fund financial statements. Significant amounts of gravel inventory at fiscal year-end are capitalized for the District-wide financial statements.

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the fund financial statements and capitalized for the District-wide financial statements. The District records all capital assets at their original cost. Assets acquired prior to 2003 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued). The District capitalizes equipment with an original unit cost of $3,000 or more and an expected life of more than 3 years.

The District has not capitalized infrastructure consisting of streets and bridges for years ended prior to September 30, 2003.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	30 years
Vehicles	7 years
Road equipment	10 years
Equipment and furniture	7 years
Computer equipment	3 years
Infrastructure	30 years
Overlays	10 years

The District adopted the above capital asset policies retroactively in 2004 (except for infrastructure) along with the adoption of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Compensated Absences. The District does not reimburse employees for unused vacation time and sick leave upon termination of service. Therefore, no liability for compensated absences has been reflected in these financial statements.

Pensions. For purposes of measuring the net pension liability, asset, 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 the 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.

Reclassifications. Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

2. LEGAL COMPLIANCE – BUDGETS

The District has elected not to levy property taxes on the District's property owners. Therefore, a budget is not required to be adopted. However, the District has adopted a budget as part of their financial management policies.

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. At least 10 days prior to the public hearing, the District publishes a proposed budget for public review.

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

2. A public hearing is set to obtain patrons' comments.

3. The final budget is adopted by the Board of Commissioners no later than the Tuesday following the first Monday in September for the following fiscal year.

The budget is a non-appropriated plan of spending, adopted on the modified accrual basis of accounting, which is the same method of accounting as the governmental funds. Expenditures may not exceed the budget at the individual fund level. Expenditures may not exceed the budget at the individual fund level.

3. DEPOSITS AND INVESTMENTS

Deposits. At September 30, 2024, the carrying amount of the District's deposits was $520,757. All deposits were covered by federal depository insurance.

Investments. Details of investments at cost at September 30, 2024, are as follows:

	Interest Rate	Amount
Cottonwood Community Federal Credit Union	0.50%	$ 903
Potlatch No. 1 Federal Credit Union	0.05%	102,126
Potlatch No. 1 Federal Credit Union	1.25%	145,380
		$ 248,409

At September 30, 2024, the carrying amount and bank balance of the District’s investments was $248,409. The District’s investments at year-end are covered by federal depository insurance for the first $250,000 per bank, and are held in the District’s name. All investments were covered by federal depository insurance in 2024.

4. CAPITAL ASSETS

A summary of changes in capital assets at September 30, 2024, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
CAPITALIZED LISTING				
Land	$ 22,031			$ 22,031
Buildings and improvements	96,773			96,773
Road equipment	969,952	$ 507,678	$ 285,671	1,191,959
Infrastructure	76,102			76,102
Vehicles	86,836	74,999		161,835
	$ 1,251,694	$ 582,677	$ 285,671	$ 1,548,700
ACCUMULATED DEPRECIATION				
Buildings and improvements	$ 49,007	$ 3,225		$ 52,232
Road equipment	717,630	98,158	$ 285,671	530,117
Infrastructure	45,663	7,610		53,273
Vehicles	59,713	16,852		76,565
	$ 872,013	$ 125,845	$ 285,671	$ 712,187
				$ 836,513

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The District began contributing to the Base Plan in 2021, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the 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 for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 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 classifications. The annual service retirement allowance for each month of credited service is 2.0 percent of the average monthly salary for the highest consecutive 42 months.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits (Continued). 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 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions. Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 72 percent for police and firefighters. As of June 30, 2024, it was 7.18 percent for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96 percent for general employees.

Pension Liabilities, Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the District reported a liability of $59,207 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2024, the District's proportion was 0.0015828 percent.

For the year ended September 30, 2024, the District recognized a net change in pension expense of $10,184. At September 30, 2024, the District 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
Employer contributions made subsequent to the measurement date	$ 2,000	
Differences between expected and actual experience	$ 9,426	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 11,245	$ 19,134
Changes in assumptions or other inputs	$ 2,345	
Net difference between projected and actual earnings on pension plan investments		$ 1,075

Contributions made subsequent to the measurement date in the table above, will be recognized as a decrease of the net pension liability in the subsequent fiscal year.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Asset, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued). 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, 2023, the beginning of the measurement period ended June 30, 2024, is 4.4 and 4.4 for the measurement period June 30, 2023.

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

2025	$ 3,749
2026	9,055
2027	(6,829)
2028	(3,168)

Actuarial Assumptions. Valuations are based upon 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. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code,* is 25 years.

The total pension asset 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 including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2024.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

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

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

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	(0.25%)
TIPS	10%	(0.30%)
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate. The discount rate used to measure the total pension liability was 6.35 percent. 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 plan's 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.

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
District's proportionate share of the net pension liability (asset)	$ 112,512	$ 59,207	$ 15,671

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

6. RISK MANAGEMENT

The District is a member of the Idaho County Reciprocal Management Program (ICRMP). ICRMP is an all-lines aggregate insurance program providing liability, property, and casualty insurance coverage to Idaho's counties and other political subdivisions on a voluntary participation basis. ICRMP assumes or reinsures all risk for covered claims. Participants are charged an annual insurance premium with no additional assessments for losses.

The general insurance limits are as follows:

General liability	$3,000,000 per claim
Property damage	Total stated value for listed property
Automobile liability	$3,000,000 per claim
Errors and omissions liability	$3,000,000 per claim
Crime insurance and bonding	$500,000 per claim
Boiler and machinery	$1,000,000 per claim

REQUIRED SUPPLEMENTARY INFORMATION

DOUMECQ HIGHWAY DISTRICT

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE DISTRICT'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.00158280%	0.00212910%	0.0028720%	0.0006024%	(1)	(1)	(1)	(1)	(1)	(1)
Employer's proportionate share of the net pension (asset) liability	$ 59,207	$ 84,965	$ 113,107	$ (476)	(1)	(1)	(1)	(1)	(1)	(1)
Employer's covered payroll	77,567	90,528	113,241	22,479	(1)	(1)	(1)	(1)	(1)	(1)
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	76%	94%	100%	102%	(1)	(1)	(1)	(1)	(1)	(1)
Plan fiduciary net position as a percentage of the total pension liability	86%	84%	83%	100%	(1)	(1)	(1)	(1)	(1)	(1)

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 8,719	$ 9,605	$ 12,602	$ 5,896	(1)	(1)	(1)	(1)	(1)	(1)
Contributions in relation to the statutorily required contribution	8,719	9,605	12,602	5,896	(1)	(1)	(1)	(1)	(1)	(1)
Contribution (deficiency) excess	0	0	0	0	(1)	(1)	(1)	(1)	(1)	(1)
Employer's covered payroll	77,002	81,341	105,544	49,380	(1)	(1)	(1)	(1)	(1)	(1)
Contributions as a percentage of covered payroll	11.32%	11.81%	11.94%	11.94%	(1)	(1)	(1)	(1)	(1)	(1)

(1) The District was not a participant in the plan during this time.

DOUMECQ HIGHWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Highway user's revenue	$ 135,000	$ 135,000	$ 356,829	$ 221,829
Federal forest funds	240,000	240,000	212,837	(27,163)
Machine hire			48,280	48,280
Earnings on investments	250	250	1,953	1,703
Other revenue	200	200	172	(28)
Total revenues	375,450	375,450	620,071	244,621
EXPENDITURES				
Payroll and payroll burden	160,000	160,000	148,351	11,649
Road materials and supplies	582,949	582,949	56,769	526,180
Insurance	15,000	15,000	10,645	4,355
Office expense	35,000	35,000	7,578	27,422
Repairs	75,000	75,000	32,072	42,928
Professional fees	10,000	10,000	18,018	(8,018)
Fuel	30,000	30,000	18,240	11,760
Capital Outlay	100,000	100,000	435,677	(335,677)
Other			3,925	(3,925)
Total expenditures	1,007,949	1,007,949	731,275	276,674
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(632,499)	(632,499)	(111,204)	$ 521,295
FUND BALANCES AT BEGINNING OF YEAR	632,499	632,499	924,638	
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 813,434	

SUPPLEMENTARY INFORMATION

DOUMECQ HIGHWAY DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - FIVE-YEAR COMPARISON
Years Ended September 30, 2024, 2023, 2022, 2021 and 2020

	2024	2023	2022	2021	2020
REVENUES					
Highway user's revenue	$ 356,829	$ 244,362	$ 247,480	$ 195,885	$ 147,881
Federal Forest funds	212,837	236,144	240,944	202,831	217,968
Sale of equipment			15,000	7,500	76,316
Machine hire	48,280	19,813	4,171	36,807	6,450
Earnings on investments	1,953	1,924	225	599	1,399
Other revenue	172	153	128	31	25,294
Total revenues	620,071	502,396	507,948	443,653	475,308
EXPENDITURES					
Payroll and payroll burden	148,351	135,965	180,385	158,942	135,191
Subcontractor					240
Road materials and supplies	56,769	31,959	17,245	18,432	70,885
Insurance	10,645	8,306	13,442	9,032	8,904
Office expense	7,578	9,269	5,638	6,196	5,674
Repairs	32,072	61,727	47,271	46,993	36,530
Professional fees	18,018	12,593	1,173	5,783	6,300
Fuel	18,240	23,872	39,090	20,842	15,234
Capital outlay	435,677		137,163	165,175	
Equipment lease				22,288	22,288
Other expenses	3,925	1,997	1,006	588	3,734
Total expenditures	731,275	285,688	442,413	454,271	304,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(111,204)	216,708	65,535	(10,618)	170,328
FUND BALANCES AT BEGINNING OF YEAR	924,638	707,930	642,395	653,013	482,685
FUND BALANCES AT END OF YEAR	$ 813,434	$ 924,638	$ 707,930	$ 642,395	$ 653,013

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT – *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Doumecq Highway District
White Bird, Idaho

We have audited, in acordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Doumecq Highway District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the Doumecq Highway District'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 Doumecq Highway District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Doumecq 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 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 that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, item #2024-001 that we consider to be a significant deficiency.

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Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Doumecq Highway District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses, item #2024-002.

Doumecq Highway District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Doumecq Highway District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Doumecq Highway District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

Presnell Gage, PLLC

May 28, 2025
Lewiston, Idaho

DOUMECQ HIGHWAY DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended September 30, 2024

Section I – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: Doumecq Highway District has concentrated a minimal number of accounting duties to one individual such that a complete segregation of duties is not possible. There are a limited number of personnel available to provide for a complete "segregation of duties."

Effect: A minimal number of accounting duties are performed by a single individual with limited oversight available within the Doumecq Highway District.

Response: The District's management and Board of Commissioners believe that the cost of hiring additional accounting staff outweighs the benefits that additional segregation of duties would provide.

Recommendation: We concur with the District's response.

REPORTABLE NONCOMPLIANCE

Finding #2024-002

Criteria: Idaho Statutes require the District to follow certain procedures when procuring services or personal property above $150,000 such as an open competitive sealed bid process and publishing the notice of the sealed bid opportunity in the District's local newspaper.

Condition: The District recalls piggybacking on a third party's cooperative purchasing contract but there was not sufficient documentation that this occurred or that the District received the competitively bided price when purchasing a new grader.

Effect: The District did not follow Idaho Statues and it is possible the District didn't receive the lowest price for the property acquired.

Response: The District cannot alter or change the transaction. The District will review Idaho Statutes before procuring services or personal property.

Recommendation: We concur with the District's response.