JEROME HIGHWAY DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

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January 9, 2025

Independent Auditor's Report

Board of Highway Commissioners
Jerome Highway District
Jerome, ID 83338

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Jerome Highway District (the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of September 30, 2024, and the respective 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 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 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 these 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 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.
- 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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison information; the Employer Pension schedules; and the Notes to Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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.

Other Information

Management is responsible for the other information included in these financial statements as listed in the table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2025, on our consideration of the 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 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 Jerome Highway District's internal control over financial reporting and compliance.

Rexroat, Harberd & Assoc., P.A.

JEROME HIGHWAY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

The Board of Commissioners' discussion and analysis of Jerome Highway District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The District's net position finished in the black in the amount of $19,509,862. During the year, the District's total revenue was $6,660,465and the District's total expenses were $4,312,394 resulting in an increase in net position of $2,348,071.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 8. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes to net position. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base, highway users apportionment receivable and the condition of the District's roads to assess the *overall health* of the District.

In the Statement of Net Position and the Statement of Activities, we include:

- Governmental activities – Most of the District's basic services are reported here, including road and bridge maintenance and general administration.

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 10. The fund financial statements begin on page 10 and provide detailed information about the most significant funds—not the District as a whole. The funds are required to be established by State law.

• Governmental funds—Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

THE DISTRICT AS A WHOLE

The District's *combined* net position increased from $17,161,791to $19,509,862. Our analysis below focuses on the net position (**Table 1**) and changes in net position (**Table 2**) of the District's governmental activities.

Table 1
Net Position

	Governmental Activities	
	2024	**2023**
Current and other assets	$ 5,727,024	$ 5,025,419
Capital assets	14,466,231	12,794,686
Total assets	20,193,255	17,820,105
Deferred Outflows of Resources	148,099	274,752
Long-term debt outstanding	719,946	862,577
Other liabilities	73,016	66,024
Total liabilities	792,962	928,601
Deferred Inflows of Resources	38,530	4,465
Net Position	$19,509,862	$17,161,791
Invested in capital assets, net of debt	$14,284,316	$12,546,843
Restricted	-	10,000
Unrestricted	5,225,546	4,604,948
Net Position	$19,509,862	$17,161,791

Net position of the District's governmental activities increased by $2,348,071.
Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from $4,604,948 at September 30, 2023, to $5,225,546 at the end of this year.

Table 2
Changes in Net Position

	2024	2023
Revenues:		
Program revenues:		
Charges for Services	$ 19,348	$ 27,420
Operating Grants & Contributions	-	10,000
General revenues:		
Property Taxes/Other Taxes	6,552,245	5,240,479
Other Revenues	88,872	338,563
Contributed Capital	-	-
Total Revenues	6,660,465	5,616,462
Program Expenses:		
Road and Bridge Maintenance	4,312,394	4,103,666
Total Expenses	4,312,394	4,103,666
Increase (decrease) in net position	$2,348,071	$1,512,796

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 10 & 11) reported a *total* fund balance of $5,590,086.

• The District's property tax revenue collected by Jerome County this FY 2023-2024 was $2,374,670. From this revenue, $97,293 was transferred to the City of Jerome Urban Renewal Agency and $100,813 was transferred to the City of Jerome. The Highway District received $3,925,039 in Highway Users Funds; $39,037 in Agriculture Replacement Tax; $27,849 in Personal Property Tax Replacement; $160,779 in Sales Tax Apportionment; $11,065 in Interest and Penalties on past due property taxes; $77,371 in Miscellaneous Interest Earned; and $30,849 in Other Revenues which includes Highway Permits and miscellaneous revenues.

• The District budgeted $2,821,602 for Contracted Projects. This year the District was under budget by $353,094. The District finished a contract from last fiscal year for the reconstruction of 200 North Road between 550 East and HWY 93 for a total of $1,223,285. The District entered into a contract to reconstruct North Road between the 300 North and 400 North for a total of $1,4461,031. Engineering Services were budgeted at $170,000 and were under budget $96,317. Engineers were hired for their services for the Sugar Loaf project, 200 N Road, North Road and review of newly built subdivisions. The

District budgeted $410,000 for Bridges and Culverts and was under budget $387,695. The District budgeted $210,000 for Equipment and Improvements and was under budget $147,241. The District planned to purchase a Pneumatic Roller but the one they found was available for purchase within the fiscal year. The District budgeted $175,000 for Supplies and Repairs and was under budget $42,380. The District budgeted $200,000 for Gas, Oil, Diesel and was under budget $87,703. The District budgeted $984,000 for road oil and transportation and was under budget $169,143. The District budgeted $12,600 for the Commissioners' salary and was under budget by $350. The District budgeted $750,000 for Employee Wages were under budget $198,299. Payroll taxes were under budget $16,851 and the Retirement Program was under budget $29,449.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023-2024, the District had $24,694,046 invested in capital assets (see page 18). This amount represents an increase of $2,761,666 from fiscal year 2022-2023, less accumulated depreciation of $10,227,815 for a balance at the end of the fiscal year of $14,466,231.

Debt

The District continues the purchase of two Caterpillar 160 Graders. The 2022 Grader requires five annual payments of $34,492 and the balloon payment of $205,000. The 2023 Grader requires five annual payments of $43,353 and a balloon payment of $260,000. The District plans to trade this equipment in for new graders. The District has a liability of $54,394 for unused employee compensation for future absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected Board of Commissioners considers many factors when setting the fiscal-year 2024-2025 budget. One of the larger factors is the anticipated property tax revenue, which increased 3% over the highest of the last 3 years and the New Construction Roll. Highway User Revenue budget increased to $3,480,328 which includes HB 312 and Sales Tax and General Funds. Another factor considered is the Contracted Projects budget, which was increased to $3,600,000 for the FY 2024-2025. The District follows a 5-year Capital Improvement Plan. The Contracted Projects' budget will be allocated to the reconstruction of 200 N Road from 600 East to 800 East, North Road from 500 North to 600 North and 300 South Sugarloaf Road widening and realignment. The District budgeted $50,000 for Bridges, Culverts, and Pipes and will replace culverts as needed. The District budgeted $997,500 for road oil and plans to chip seal approximately 35 miles. The district budgeted $561,000 for the payment of the multi-year crushing contract and current year gravel sourcing. The Highway District budgeted $177,847 for Equipment, Improvements, and Equipment Lease. The District would like to purchase a Pneumatic Roller and or a paver. The repairs/supplies budget for the 2024-2025 year is $175,000 and the gas/oil/diesel budget is $200,000. The Commissioners approved the health insurance products and rates and budgeted $100,300. The Commissioners adopted the 2024-2025 Budget at a public hearing held on August 22, 2024.

JEROME HIGHWAY DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Total Governmental
ASSETS:	
Cash in bank	$ 5,091,857
Petty cash	1,046
Prepaid expense	38,392
Interest receivable	11,163
Delinquent taxes receivable	70,381
Highway users apportionment receivable	502,838
Penalties and interest receivable	1,588
Agriculture replacement tax receivable	9,759
Capital assets	14,466,231
Total assets	20,193,255
DEFERRED OUTFLOWS OF RESOURCES:	
Defined benefit pension	148,099
	148,099
LIABILITIES:	
Share of Highway District taxes due to Cities	3,092
Refundable deposits	30,500
Accounts payable	20,715
Accrued payroll and related liabilities	18,709
Long-term liabilities:	
Current portion	68,930
Noncurrent portion	167,379
Net pension liability	483,637
Total liabilities	792,962
DEFERRED INFLOWS OF RESOURCES:	
Defined benefit pension	38,530
	38,530
NET POSITION:	
Net investment in capital assets, net of related debt	14,284,316
Restricted	-
Unrestricted	5,225,546
Total net position	$ 19,509,862

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Road and bridge maintenance	$ 4,312,394	$ 19,348	$ -	$ (4,293,046)
Total governmental activities	$ 4,312,394	$ 19,348	$ -	(4,293,046)
General Revenues:				
Property and other taxes				6,552,245
Interest on savings and other income				88,872
Total general revenues and special items				6,641,117
Change in net position				2,348,071
Net position-beginning of year				17,161,791
Net position-end of year				$ 19,509,862

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Road and Bridge Fund	Total Governmental
ASSETS:		
Cash in bank	$ 5,091,857	$ 5,091,857
Petty cash	1,046	1,046
Prepaid expense	38,392	38,392
Delinquent taxes receivable	70,381	70,381
Interest receivable	11,163	11,163
Highway users apportionment receivable	502,838	502,838
Penalties and interest receivable	1,588	1,588
Agriculture replacement tax receivable	9,759	9,759
TOTAL ASSETS	$ 5,727,024	$ 5,727,024
LIABILITIES:		
Share of Highway District taxes receivable due to City of Jerome	$ 3,092	$ 3,092
Deposits	30,500	30,500
Accounts payable - trade	20,715	20,715
Accrued payroll and related liabilities	18,709	18,709
TOTAL LIABILITIES	73,016	73,016
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	63,922	63,922
TOTAL DEFERRED INFLOWS OF RESOURCES	63,922	63,922
FUND BALANCES:		
Nonspendable	38,392	38,392
Restricted	-	-
Assigned for:		
Road and bridge maintenance	5,551,694	5,551,694
Unassigned	-	-
TOTAL FUND BALANCES	5,590,086	5,590,086
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 5,727,024	$ 5,727,024

Continued on next page

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

Continued from previous page

Reconciliation to the Statement of Net Position:	
Total Fund Balances - Governmental Funds	$ 5,590,086
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Land	74,115
Other capital assets	24,619,931
Accumulated depreciation and amortization	(10,227,815)
Property tax revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds	63,922
Pension related deferred outflows of resources not reported in the funds	148,099
Pension related deferred inflows of resources not reported in the funds	(38,530)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued vacation and sick leave	(54,394)
Leases payable	(181,915)
Net pension liability	(483,637)
Total Net Position - Governmental Activities	$ 19,509,862

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Road and Bridge Fund	Total Governmental
REVENUES:		
Highway users apportionment	$ 3,619,826	$ 3,619,826
Sales tax apportionment	465,992	465,992
Property taxes	2,452,621	2,452,621
Interest earned	77,371	77,371
Other income	30,849	30,849
Total revenue	6,646,659	6,646,659
EXPENDITURES:		
Current:		
Auditing expense	4,800	4,800
Miscellaneous expenses	22,322	22,322
Communication expenses	6,489	6,489
Office and publishing	5,685	5,685
Utilities	8,575	8,575
Legal expense	3,333	3,333
Travel and meetings	5,944	5,944
Commissioners salaries	12,250	12,250
Wages and benefits	859,026	859,026
Liability and work comp insurance	72,137	72,137
Gravel	605,764	605,764
Gas, oil & diesel	113,070	113,070
Supplies	23,367	23,367
Repairs	171,758	171,758
Engineering	5,880	5,880
Equipment lease	5,043	5,043
Road oil	818,430	818,430
Road surface treatment	29,200	29,200
Bridges and culverts	22,901	22,901
Weed control	40,697	40,697
Safety	40,467	40,467
Striping	40,296	40,296
Grant expenses	10,800	10,800
Highway to City taxes/Urban Renewal Transfers	198,106	198,106
Capital outlay	2,761,666	2,761,666
Debt service	77,846	77,846
Total expenditures	5,965,852	5,965,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	680,807	680,807
FUND BALANCE OCTOBER 1, 2023	4,909,279	4,909,279
FUND BALANCE SEPTEMBER 30, 2024	$ 5,590,086	$ 5,590,086

Continued on next page

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

Continued from previous page

Reconciliation to the Statement of Activities:	
Total net changes in fund balances - governmental funds	$ 680,807
Governmental funds report the acquisition or construction of capital assets as expenditures, while governmental activities report depreciation expense to allocate the cost of these assets over their estimated useful life. In the current period, these amounts are:	
Capital outlay	2,761,666
Depreciation expense	(1,018,852)
Amortization expense	(71,269)
Governmental activities report a liability for accrued vacation while governmental funds expense vacation as paid. The liability for accrued vacation on the Statement of Net Position increased by	(11,898)
Repayment of note principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets	77,846
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds but are considered revenues in the Statement of Activities	13,806
Current year expenses in the statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds	(11,918)
Changes in pension related deferred outflows of resources, deferred inflows of resources, and net pension liability or asset do not require the use of current financial resources and are not reported in the governmental funds	(72,117)
Change in net position of governmental activities	$ 2,348,071

The accompanying notes are an integral part of the financial statements

JEROME HIGHWAY DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

A) Basis of Presentation

The financial statements of Jerome Highway District (District) are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. GASB is responsible for establishing generally accepted accounting principles (GAAP)for state and local governments through its pronouncements.

B) Financial Reporting Entity

Jerome Highway District is located in Jerome County in the southern portion of Idaho. The District maintains and constructs roads within its boundaries. Operations of the District are the responsibility of a three-member Board.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no entities which would be component units of the District.

C) Financial Statement Presentation, Measurement Focus, and Basis of Accounting

The District's financial statements include the activities of the District. The District's *government-wide financial statements* provide both short-term and long-term information about the District's overall financial status. *Fund financial statements* focus on the individual activities of District government, reporting the District's operations in more detail than the government-wide financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted; or unrestricted. Restricted net position is further classified as either restricted by enabling legislation or net position that is otherwise restricted.

The *statement of activities* presents information showing how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Amounts reported as program revenues on the government-wide financial statements include (a) charges for services - amounts received from customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by the District, (b) program-specific operating grants and contributions, and (c) program-specific capital grants and contributions. General revenues consist of taxes and all other revenues that do not meet the definition of program revenues. Special items are significant transactions or events within control of management that are either unusual in nature or infrequent in occurrence.

Fund financial statements. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has one governmental fund and therefore only one major fund. The Road and Bridge Fund is the District's primary operating fund and accounts for all financial transactions of the District.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use a current financial resources measurement focus and the modified accrual basis of accounting, focusing on the near-term inflows and outflows of spendable resources, and balances of spendable resources available at fiscal year end. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

D) Assets, Liabilities, and Net Position/Fund Balance

1. Inventories
   The District does not capitalize and reflect as inventory, expendable supplies on hand at fiscal year end. Materials and supplies are recorded as expenses of the period.

2. Prepaid Expense
   Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets
   Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide financial statements. Assets are capitalized when they have a useful life in excess of one year and have a cost of $5,000 or more. Purchased or constructed capital assets are valued at cost or estimated historical cost if actual historical cost is unavailable. Donated capital assets are recorded at their fair value at the time received.

   Exhaustible capital assets are depreciated on the straight-line method over the asset's estimated useful life. Depreciation expense is recorded in the government-wide financial statements. There is no depreciation recorded for land, construction in process, or other capital assets defined as inexhaustible.

4. Encumbrances
   Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the Road and Bridge Fund. This is in conformance with Idaho State Statutes which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

5. Long-term Debt Obligations

In the government-wide financial statements, long-term debt is reported as a liability. Issuance costs are deferred and amortized using the effective interest rate method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and other financing uses, respectively.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, pension related items, as listed in Note 5, are the only items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and the balance sheet may include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The statement of net position reports pension related items, as listed in Note 5, as deferred inflows of resources. The balance sheet reports property tax revenues which are unavailable (will not be collected soon enough after year-end to pay for the current year's expenditures) as deferred inflows of resources.

7. 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. See Note 5 for a more detailed description of the District's participation in the Public Employee Retirement System of Idaho.

8. Compensated Absences

The District accrues accumulated unpaid vacation and comp time as well as associated employer-related costs when earned by the employee. Upon termination, employees are paid full value for any accrued vacation and comp time earned. Vacation and comp time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Vacation and comp time that is not expected to be liquidated with expendable available financial resources is maintained separately and represents a reconciling item between the fund and government-wide presentations.

9. Property Taxes

Property taxes for each year are levied in September of that year with the first half of real property taxes and all personal property and mobile home taxes due on December 20th. Such taxes not paid on or before December 20th are considered to be delinquent. The second half of the real property taxes are due June 20th of the following year and are considered to be delinquent on June 21st. An initial late penalty of 2% of tax plus 1% per month interest charge is assessed on all delinquent taxes. A tax lien is filed for property whose taxes become three years delinquent. Taxes collected by the County are remitted to the District on a monthly basis.

Property taxes receivable for the current year, that are expected to be collected after the available period (usually 60 days), are recorded as unavailable revenue.

10. Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance classifications.

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. Federal grant programs require that funds received be used only for those specific programs and are therefore classified as restricted.

Committed - amounts that can be spent only for specific purposes determined by a formal action of the District Board which is the highest level of decision-making authority for the District. These amounts cannot be used for any other purpose unless the District's Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - amounts that do not meet the criteria to be classified as restricted nor committed but that are intended to be used for specific purposes. This intent can be expressed by the District's Board or Administrator.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board has provided otherwise in its commitment or assignment actions.

E) 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.

F) Upcoming Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, will be effective for reporting periods beginning after December 15, 2023. This Statement updates the recognition and measurement guidance for compensated absences. It requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, as long as it is identified as a net change. The District is evaluating the impact that this GASB statement will have on its financial reporting.

Note 2 - Deposits and Investments

Idaho State statute authorizes the District to invest in a number of types of investments, including obligations of the U.S. Treasury, the State of Idaho or county, city or other taxing districts of the State of Idaho, commercial paper, corporate bonds, and repurchase agreements. Current District deposits are in a money market account at a local bank and in a checking account, savings account, and several certificates of deposit at a local credit union.

Deposits - For deposits, custodial credit risk is the risk that, in the event of a bank or credit union failure, the government's deposits may not be returned to it. At September 30, 2024, the carrying amount of the District's deposits with financial institutions (after considering outstanding and other reconciling items) was $5,091,857. The bank balance was $103,058 of which the entire amount was covered by federal depository insurance. The credit union balance was $4,988,799 of which $1,500,000 was covered by National Credit Union Association (NCUA) insurance and the remainder was collateralized by funds through Federal Home Loan Bank. The District does not have a custodial credit risk policy or a concentration of credit risk policy.

Investments - The District had no investments at September 30, 2024.

Note 3 - Capital Assets

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

	Balance October 1, 2023	Additions	Retirements	Balance September 30, 2024
Capital Assets not being Depreciated:				
Land	$ 74,115	$ ...	$ ...	$ 74,115
Capital Assets being Depreciated and Amortized:				
Building	661,167	...	...	661,167
Equipment and vehicles	3,911,390	233,580	...	4,144,970
Infrastructure	16,929,362	2,528,086	...	19,457,448
Right to use leased assets - Equipment	356,346	...	...	356,346
Total Capital Assets being Depreciated	21,858,265	2,761,666	...	24,619,931
Less Accumulated Depreciation and Amortization:				
Buildings	(313,127)	(16,884)	...	(330,011)
Equipment and vehicles	(3,046,001)	(155,104)	...	(3,201,105)
Infrastructure	(5,674,750)	(846,864)	...	(6,521,614)
Right to use leased assets - Equipment	(103,816)	(71,269)	...	(175,085)
Total Accumulated Depreciation and Amortization	(9,137,694)	(1,090,121)	...	(10,227,815)
Total Capital Assets being Depreciated and Amortized, net	12,720,571	1,671,545	...	14,392,116
Total Capital Assets	$12,794,686	$1,671,545	$ ...	$14,466,231

Note 4 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

Governmental Activities	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Amounts Due Within One Year
Future compensated absences	$ 42,496	$ 54,394	$ 42,496	$ 54,394	$ ...
Leases	247,843	...	65,928	181,915	68,930
	$ 290,339	$ 54,394	$ 108,424	$ 236,309	$ 68,930

Future compensated absences - a liability of $54,394 has been accrued for employee rights to receive compensation for future absences.

Leases -

1) A 2022 Caterpillar 160 AWD Motor Grader was leased for a term of five years at a fixed interest rate of 2.99% and requires annual payments of $34,492. The lease is not renewable and the District will not acquire the equipment at the end of the lease. The principal balance at September 30, 2024, is $66,010.

2) A 2023 Caterpillar 160 AWD Motor Grader was leased for a term of five years at a fixed interest rate of 5.99% and requires annual payments of $43,353. The lease is not renewable and the District will not acquire the equipment at the end of the lease. The principal balance at September 30, 2024, is $115,905.

Annual requirements to amortize the lease liability and related interest are as follows:

Year ended Sept. 30,	Principal Portion	Interest Portion	Total Payment
2025	$ 68,930	$ 8,916	$ 77,846
2026	72,083	5,763	77,846
2027	40,902	2,450	43,352
	$ 181,915	$ 17,129	$ 199,044

Note 5 - Pension Plan

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

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 for eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2024, it was 6.71% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees. The District's contributions were $70,838 for the year ended June 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 District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an

actuarial valuation as of that date. The District's proportion of the net pension liability was based on it'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 District's proportion was .01292923 percent.

For the year ended September 30, 2024, the District recognized pension expense of $139,094. 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
Changes in pension assumptions or other inputs	$ 19,159	$ ...
Net difference between expected and actual experience	76,999	...
Net difference between projected and actual earnings on pension plan investments	...	8,779
Change in proportionate share percentage from prior year, net of accumulated amortization	32,936	29,751
Employer contributions subsequent to the measurement date	19,005	...
	$148,099	$ 38,530

The $19,005 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, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) is 4.4 years for the measurement period ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows (using the future measurement dates for PERSI):

Year Ended June 30:	
2025	$ 23,870
2026	90,175
2027	(15,551)
2028	(11,115)

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

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

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%
Teachers - Males Pub-2010 Teacher Tables, increased 12%

Teachers - Females Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males Pub-2010 Safety Tables, increased 21%
Fire & Police - Females Pub-2010 Safety Tables, increased 26%
Disabled Members - Males Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females Pub-2010 Disabled Tables, increased 36%

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of 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. The capital market assumptions are as of 2024.

	2024	
Asset Class:	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 919,060	$ 483,637	$ 128,006

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

Payables to the pension plan
At September 30, 2024, the District reported no payables to the defined benefit pension plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 6 - Risk
The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded commercial insurance coverage in any of the last two years.

Note 7 - District Health Insurance Deductible Buy-Down Contingency
The District provides insurance for each employee that has a $2,000 deductible. Employees are responsible for the first $500 of that deductible. The District self-insures the remaining deductible between $500 and $2,000 with a maximum annual reimbursement of $1,500 per employee. The contingent liability for these reimbursements for the year ranges from $0, with employee claims no more than $500, up to a maximum of $18,000.

Note 8 - Commitments
Gravel Crushing Contract: During the fiscal year ended September 30, 2022, the District entered into a gravel crushing contract that called for the contractor to provide gravel over a six year period. The contract requires the following schedule of payments:

Year Ended September 30:	
2025	$ 108,000
2026	75,000
2027	42,784

JEROME HIGHWAY DISTRICT
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
REVENUE:				
Highway users apportionment	$ 2,955,497	$ 2,955,497	$ 3,619,826	$ 664,329
Sales tax apportionment	196,500	196,500	465,992	269,492
Property taxes	2,336,984	2,336,984	2,452,621	115,637
Interest earned	15,000	15,000	77,371	62,371
Grant income	81,000	81,000	-	(81,000)
Other income	10,000	10,000	30,849	20,849
Total revenue	5,594,981	5,594,981	6,646,659	1,051,678
EXPENDITURES:				
Administration	900,000	900,000	770,831	(129,169)
Commissioner salaries	12,600	12,600	12,250	(350)
Insurance	162,600	162,600	160,332	(2,268)
City/Urban	200,000	200,000	198,106	(1,894)
Road maintenance/construction	2,335,750	2,335,750	1,670,358	(665,392)
Engineering/professional	199,000	199,000	79,225	(119,775)
Grant expenses	81,000	81,000	10,800	(70,200)
Operating/equipment	577,198	577,198	595,442	18,244
Construction by contract	2,821,602	2,821,602	2,468,508	(353,094)
Total expenditures	7,289,750	7,289,750	5,965,852	(1,323,898)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ (1,694,769)	$ (1,694,769)	$ 680,807	$ 2,375,576

JEROME HIGHWAY DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
SEPTEMBER 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.01292923%	0.01433939%	0.01128179%	0.0115058%	0.0119063%	0.0114411%	0.0126635%	0.0133160%	0.0144767%	0.0143962%
Employer's proportionate share of the net pension liability (asset)	$ 483,637	$ 572,238	$ 444,362	$ (9,087)	$ 276,480	$ 160,597	$ 186,789	$ 209,305	$ 293,465	$ 189,575
Employer's covered-employee payroll	$ 633,614	$ 609,698	$ 444,891	$ 429,380	$ 473,778	$ 396,607	$ 430,095	$ 427,757	$ 436,331	$ 410,053
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	76.33%	93.86%	99.88%	-2.12%	58.36%	40.49%	43.43%	48.93%	67.26%	46.23%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of September 30, 2024

JEROME HIGHWAY DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
SEPTEMBER 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 70,838	$ 72,798	$ 53,120	$ 51,268	$ 50,622	$ 43,988	$ 46,121	$ 45,769	$ 47,474	$ 45,555
Contribution in relation to the statutorily required contribution	(70,838)	(72,798)	(53,120)	(51,268)	(50,622)	(43,988)	(46,121)	(45,769)	(47,474)	(45,555)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 633,614	$ 609,698	$ 444,891	$ 429,380	$ 473,778	$ 396,607	$ 430,095	$ 427,757	$ 436,331	$ 410,053
Contributions as a percentage of covered-employee payroll	11.18%	11.94%	11.94%	11.94%	10.68%	11.09%	10.72%	10.70%	10.88%	11.11%

Data reported is measured as of September 30, 2024

JEROME HIGHWAY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 1 - BUDGETARY INFORMATION

A) Budgetary-GAAP Reporting Reconciliation

The accompanying Budgetary Comparison Schedule compares the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

B) Budgetary Policies

Jerome Highway District prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the District such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenue are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

C) Excess of Expenditures Over Appropriations

For the year ended September 30, 2024, there was no excess of expenditures over appropriations.

NOTE 2 - PENSION INFORMATION

A) Changes of benefit terms

None to report.

B) Changes in Composition of the Population Covered by the Benefit Terms

None to report.

C) Changes of Assumptions

None to report.

JEROME HIGHWAY DISTRICT
SCHEDULE OF TAX REVENUE AND DELINQUENT TAXES RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2024

Year:	Balance October 1, 2023	Tax Charge	Additions	Cancell-ations	Collections	Balance September 30, 2024
2020	$ 6,225	$ ...	$ ...	$ ...	$ 5,899	$ 326
2021	14,096	...	...	...	6,287	7,809
2022	38,738	...	...	21	23,850	14,867
2023	...	2,397,572	...	5,302	2,341,924	50,346
	$ 59,059	$2,397,572	$ ...	$ 5,323	$2,377,960	73,348
Amount of taxes receivable estimated as due to the Jerome Urban Renewal Agency						(2,967)
						$ 70,381

JEROME HIGHWAY DISTRICT
SCHEDULE OF PROPERTY TAX LEVIES
AND COLLECTIONS - LAST TEN YEARS

Year Ended September 30,	Beginning Receivable Balance	Tax Levy	Additions and (Cancellations)	Collect-ions	Ending Receivable Balance
2015	$ 67,543	$1,556,742	$ (1,558)	$1,556,411	$ 66,316
2016	66,316	1,638,348	(1,436)	1,639,407	63,821
2017	63,821	1,707,514	(1,546)	1,717,742	52,047
2018	52,047	1,773,712	(1,034)	1,767,855	56,870
2019	56,870	1,849,692	(1,783)	1,853,303	51,476
2020	51,476	1,966,617	(803)	1,963,474	53,816
2021	53,816	2,084,813	(1,232)	2,085,945	51,452
2022	51,452	2,176,497	(10,912)	2,164,131	52,906
2023	52,906	2,263,415	(5,271)	2,251,991	59,059
2024	59,059	2,397,572	(5,323)	2,377,960	73,348

JEROME HIGHWAY DISTRICT
SCHEDULE OF GENERAL GOVERNMENTAL
EXPENDITURES BY FUNCTION - LAST TEN YEARS

Year Ended September 30,	Salaries	Repairs	Gravel And Road Oil	Capital Outlay	Other
2015	$402,661	$107,432	$ 730,106	$ 850,567	$ 704,940
2016	424,031	72,140	920,560	1,060,655	815,927
2017	415,457	83,265	530,997	1,282,658	819,360
2018	423,476	88,607	970,808	1,189,511	1,027,833
2019	413,927	113,150	984,285	1,410,944	1,037,051
2020	454,495	98,655	907,345	2,929,573	989,477
2021	434,576	88,909	763,224	1,816,097	1,096,792
2022	649,675	176,623	1,501,445	346,426	873,724
2023	846,762	98,144	1,425,588	1,992,840	738,155
2024	859,026	171,758	1,424,194	2,761,666	749,208

JEROME HIGHWAY DISTRICT
SCHEDULE OF GENERAL REVENUE
BY SOURCE - LAST TEN YEARS

Year Ended September 30,	Taxes	Highway Users	Sales Tax	Interest	Other
2015	$1,446,146	$1,239,066	$ 91,546	$13,043	$ 121,298
2016	1,636,741	1,656,374	97,097	11,781	276,177
2017	1,716,339	1,669,306	101,256	15,450	139,824
2018	1,770,909	1,718,254	108,139	11,506	232,100
2019	1,848,988	1,792,767	116,364	18,514	1,213,649
2020	1,964,463	1,795,405	85,915	30,284	80,105
2021	2,084,015	2,344,527	135,269	28,340	76,364
2022	2,163,826	2,536,188	388,699	28,969	190,592
2023	2,332,168	2,436,908	469,503	23,138	336,856
2024	2,452,621	3,619,826	465,992	77,371	30,849

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January 9, 2025

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 Highway Commissioners
Jerome Highway District
Jerome, ID 83338

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 and the major fund of Jerome Highway District (the 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 January 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 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.

Rexroat, Harberd & Assoc., P.A.