NORTH LATAH COUNTY HIGHWAY DISTRICT

COMPILED FINANCIAL STATEMENTS
For The Year Ended September 30, 2024

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NORTH LATAH COUNTY HIGHWAY DISTRICT

COMPILED FINANCIAL STATEMENTS
For The Year Ended September 30, 2024

MANN & STANKE
Certified Public Accountants
Moscow, Idaho

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INTRODUCTORY SECTION

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NORTH LATAH COUNTY HIGHWAY DISTRICT

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FINANCIAL SECTION

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ACCOUNTANT'S COMPILATION REPORT

December 20, 2024

To the Board of Commissioners
North Latah County Highway District
Moscow, Idaho

Management is responsible for the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Latah County Highway District, Idaho, as of and for the year ended September 30, 2024, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor assurance on these financial statements.

Management has not recorded the current fiscal year adjustment to the Public Employee Retirement System of Idaho (PERSI) net pension liabilities, pension expense (revenues), and deferred outflows of resources and deferred inflows of resources related to pensions which is required to be incompliance with Governmental Accounting Standards Board (GASB) Statement 68.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board.

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 24 to be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The supplementary information on pages 25 – 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have not compiled or reviewed the unaudited supplementary information and, accordingly, do not express an opinion or provide any assurance on it.

We are not independent with respect to North Latah County Highway District, Idaho.

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BASIC FINANCIAL STATEMENTS

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NORTH LATAH COUNTY HIGHWAY DISTRICT

STATEMENT OF NET POSITION
September 30, 2024

	Total Governmental Activities
ASSETS	
Current assets	
Cash	$ 299,264
Investments	5,187,324
Receivables	
Accrued interest	23,611
Customer accounts (net)	29,338
Delinquent taxes	70,615
Intergovernmental	734,179
Total current assets	6,344,331
Noncurrent assets	
Capital assets, net of accumulated depreciation	
Land and buildings	409,412
Equipment	5,520,755
Infrastructure	2,693,421
Total noncurrent assets	8,623,588
Total assets	14,967,919
LIABILITIES	
Current liabilities	
Accounts payable	134,731
Accrued salaries and benefits payable	130,230
Accrued sick leave payable	157,107
Accrued vacation payable	78,141
Amount due City of Moscow	247,000
Current portion capital lease obligations	206,461
Total current liabilities	953,670
Long-term obligations	
Capital leases	124,616
Total liabilities	1,078,286
NET ASSETS	
Investment in capital assets, net of related debt	8,292,511
Unrestricted	5,597,122
Total net assets	$ 13,889,633

See accompanying notes and accountant's compilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities					
General government					
Administration	$ 100,005	$ -	$ -	$ -	$ (100,005)
Insurance	117,526	-	-	-	(117,526)
Operation of plant	72,811	-	-	-	(72,811)
Equipment maintenance	1,032,403	-	-	-	(1,032,403)
Labor costs	2,515,166	-	-	-	(2,515,166)
Road maintenance	1,975,137	150,987	-	-	(1,824,150)
Bridges	14,179	-	-	-	(14,179)
Depreciation	793,256	-	-	-	(793,256)
Interest and loan fees	18,180	-	-	-	(18,180)
Total governmental activities	$ 6,638,663	$ 150,987	$ -	$ -	(6,487,676)
General revenues					
Property taxes, levied for general purposes					2,618,057
Other taxes, penalties and interest					83,679
State motor users' revenue not restricted for specific programs					2,890,275
Federal forest funds not restricted for specific programs					65,502
Interest earnings					193,574
Other State support					3,237,538
Other general revenues					69,404
Total general revenues					9,158,029
Change in net position					2,670,353
Net position - beginning					11,219,280
Net position, ending					$ 13,889,633

See accompanying notes and accountant's compilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General
ASSETS	
Cash	$ 299,264
Investments	5,187,324
Receivables	
Accrued interest	23,611
Customer accounts (net)	29,338
Delinquent taxes	70,615
Intergovernmental	734,179
Total assets	$ 6,344,331
LIABILITIES	
Accounts payable	$ 134,731
Accrued salaries and benefits payable	130,230
Accrued sick leave payable	157,107
Accrued vacation payable	78,141
Amount due City of Moscow	247,000
Total liabilities	747,209
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	66,500
FUND BALANCES	
Unassigned	5,530,622
Total fund balances	5,530,622
Total liabilities and fund balances	$ 6,344,331

See accompanying notes and accountant's compilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

RECONCILIATION OF THE STATEMENT OF NET POSITION TO BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

Total fund balance - Govermental Funds	$ 5,530,622
Amounts reported for governmental activities in the statement of net assets 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	16,323,911
Accumulated depreciation	(7,700,323)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Capital leases	(331,077)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	66,500
Total net assets - Governmental Activities	$ 13,889,633

See accompanying notes and accountant's complilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended September 30, 2024

	General
REVENUES	
Local	$ 3,109,684
State	6,127,813
Federal	65,502
Total revenues	9,302,999
EXPENDITURES	
Current	
Administration	100,005
Insurance	117,526
Operation of plant	72,811
Equipment maintenance	1,032,403
Labor costs	2,577,732
Road maintenance	2,249,645
Bridges	14,179
Capital outlay	505,710
Debt service	285,790
Total expenditures	6,955,801
Excess (deficiency) revenues over expenditures	2,347,198
Fund balance - beginning of year	3,183,424
Fund balance - end of year	$ 5,530,622

See accompanying notes and accountant's complilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

Net change in fund balances - Total Governmental Funds	$	2,347,198
Amounts reported for governmental activities in the statement of activities are different because:		
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 statement of net assets and allocated over their estimated useful lives as annual depreciation:		
Current year capital outlay		842,784
Current year depreciation		(793,256)
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:		
Current year repayment of lease obligations		267,610
Some amounts receivable will not be collected for several months after the fiscal year ends and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are however, recorded as revenues in the statement of activities:		
Current year taxes receivable		6,017
Change in net position - Governmental Activities	$	2,670,353

See accompanying notes and accountant's compilation report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The North Latah County Highway District operates as an independent taxing district formed in 1972, and is responsible for the construction and maintenance of all county roads and bridges in the northern portion of Latah County, Idaho. The District operates under a Board of Commissioners form of government.

Component Units. United States generally accepted accounting principles require the North Latah County Highway District's financial statements to include component units. Component units are entities for which the North Latah County Highway District is considered to be financially accountable. The North Latah County Highway District has no component units.

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 property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations 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 recorded when they become measurable and available. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year-end. All material revenues are considered measurable and available and are thus susceptible to accrual. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. The District reports deferred revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. An exception to this general rule is principal and interest on general long-term obligations, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

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. Expenses are allocated to committed, assigned, and unassigned when all are present.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Resources (Continued)

Governmental Accounting Standards Board Statement No. 87 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, which can be determined by Board of Commissioners as a resolution or determined by an outside source.

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

Government-wide Statements

The government-wide financial statements include the statements of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activity such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, intergovernmental revenues, and other non-exchange transactions, from business-type activities, generally financed in whole or in part with fees charged to external customers. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function program. 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. These revenues are subject to all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, including the reclassification or elimination of internal activity (between or within funds).

Fund Financial Statements

The fund financial statements provide information about the District's fund categories. Separate statements for each category-governmental are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. 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. All governmental funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting.

The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the State of Idaho and its agencies, U.S. Treasury and U.S. agencies, City coupon and local improvement district bonds, repurchase agreements, tax and revenue anticipation bonds, notes, and the State Treasurer's Investment Pool.

Investments are stated at fair value as quoted for the purchase and sale of units.

Deposits in the State Treasurers Local Government Investment Pool are stated at fair value, which is the same as the value of the pool shares. The Idaho State Treasurer oversees the Local Government Investment Pool under the Joint Exercises of Power provisions of *Idaho Code*. The State Treasurer combines deposits from all governmental entities in the State which participate in the Pool and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities
Bonds and debentures of "A" rated companies

The entities participating in the Pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments (Continued)

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and SLIC limits of $250,000.

Investments held at year-end are disclosed in Note 3.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements.

All trade accounts receivable is shown net of an allowance for doubtful accounts. Trade accounts receivable allowance for uncollectible is calculated based upon past experience and management's assessment of the current receivables. At September 30, 2024, the allowance for uncollectibles is $19,884 represents all accounts receivable 90 days past due. Substantially all property taxes are collected; therefore, no allowance is provided for.

The District's property taxes are levied by Latah County, Idaho in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due date. A tax deed is issued on property three years from the date of delinquency. At fiscal year-end, the receivables represent delinquent taxes. Amounts not paid within 60 days are recorded as deferred revenue for the fund financial statements.

Capital Assets

The District's property, plant, and equipment with useful lives of more than two years are stated at historical cost. Infrastructure assets are reported at estimated historical cost as determined in 2004. Donated fixed assets are valued at the estimated fair value at the date of donation. The District generally capitalizes assets that meet the following guidelines:

Asset Category	Cost		Life
Equipment and vehicles	$ 1,000		10-25 years
Buildings	10,000		40 years
Roads	90,000	per mile	50 years
Bridges	25,000	per bridge	50 years

Equipment with a cost less than $1,000 is recorded in the general fixed assets for accountability purposes only.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Amortization of leased assets is included in depreciation expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Equipment with a cost less than $1,000 is recorded in the general fixed assets for accountability purposes only.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Amortization of leased assets is included in depreciation expense.

Assets are depreciated on the straight-line method over the following estimated useful lives:

Equipment and vehicles	10-25 years
Computer equipment	3-5 years
Buildings	10-40 years
Streets	50 years
Bridges	50 years

Modified Approach for Infrastructure Reporting. In accordance with GASB 34, the District has reported all capital assets including infrastructure in the government-wide statement of net assets.

Compensated Absences

Full time, permanent employees are granted vacation and sick pay benefits in varying amounts to specified maximums depending on tenure with the District. Vacation and sick leave benefits are reported as accrued in the government-wide financial statements. Only the amount of vacation benefits expected to be paid from current financial resources are accrued in the governmental fund financial statements.

Deferred Outflows/Inflows or Resources

In addition to assets, the statement of net position will sometimes report 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. For example, grant expenditures paid in advance of meeting timing requirements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and note repayments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Assets

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose

Use of Estimates

Management of 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 management uses.

Pensions

For purposes of measuring the net pension liability, assets, 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 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

For purposes of measuring the net pension liability, assets, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductins from the 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.

2. BUDGETARY AND LEGAL COMPLIANCE

A. Budgetary Information

The District's Board of Commissioners follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to September 1, the Commissioners submit a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is published in the newspaper of record in the county.

Public hearings are conducted at various times during the year to obtain taxpayer comments.

Prior to the submission to the county auditor on the Monday in September, the budget is legally enacted through passage of an ordinance. The budget covers all governmental funds. The District adopts budgets on the modified accrual basis of accounting for all governmental fund types.

The District Clerk is authorized to transfer budgeted amounts between departments within any fund; however, expenditures from the emergency fund or any revisions that alter the total expenditures of any fund must be approved by the Commissioners. The legal level of budgetary control is the fund level.

3. DEPOSITS AND INVESTMENTS

Deposits

The carrying amount of the District's deposits at year-end is covered by federal depository insurance for the first $250,000. The balance was uninsured and uncollateralized.

As of September 30, 2024, the District had the following cash accounts:

Governmental Activities:	
Cash in checking	$98,062
Cash in savings	201,202
Total cash	$299,264

Investments

At year-end the District's investments amounted to $5,187,324. As of September 30, 2024, the District had the following investments and maturities:

	Fair Value
Governmental Activities:	
Idaho State Treasurer's Investment Pool (average weighted yield)	$5,187,324

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. As a means of limiting its exposure to losses, no security, which has a variable interest rate, will be purchased or accepted as collateral. Also, the use of leveraging (borrowing money to purchase and investment), trading, and speculation are not allowed under the District's investment policy.

Custodial Risk: Custodial risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial risk.

Credit Risk: As of September 30, 2024, the District's investment in the Idaho State Treasurer's Local Government Investment Pool is no longer rated by Standard and Poor's Rating Sources.

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

Fair Value: Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investment in the Idaho State Treasurer's Local Government Investment Pool is measured with Level 2 inputs, which is the same inputs as the pool uses for its underlying investments.

4. RECEIVABLES

Delinquent taxes of $66,500 represent delinquent property amounts due from individuals. Over time, substantially all property taxes are collected.

Accounts receivable represent:

Customer road improvement billings	$49,222
Allowance for doubtful accounts	(19,884)
Total	$29,338

Intergovernmental receivables represent:

Latah County, property taxes	$9,130
State of Idaho, highway users	725,049
Total	$734,179

5. CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance	Accumulated Depreciation	Capital Assets Net
Governmental Activities						
Capital assets, being depreciated:						
Land & Buildings	$614,288	-	-	$614,288	$204,876	$409,412
Equipment	12,006,158	$935,604	$590,042	12,351,720	6,830,965	5,520,755
Infrastructure	3,020,829	337,074	-	3,357,903	664,482	2,693,421
	$15,641,275	$1,272,678	$590,042	$16,323,911	$7,700,323	$8,623,588

6. LONG-TERM LIABILITIES

Government Activities	10/01/23	Additions	Reductions	9/30/24	Due Within One Year
Capital lease-John Deere Finance	$67,466	-	$67,466	-	-
Capital lease-Caterpillar Finance	83,847	-	41,295	$42,552	$42,552
Capital lease-Caterpillar Finance	70,223	-	34,600	35,623	35,623
Capital lease-Daimler Financial	124,794	-	42,566	82,228	44,162
Capital lease-Caterpillar Finance	126,129	-	40,829	85,300	42,050
Capital lease-Caterpillar Finance	126,228	-	40,854	85,374	42,074
Totals	$598,687	-	$267,610	$331,077	$206,461

Capital Lease Obligations

Capital lease obligations payable at September 30, 2024, are comprised of the following capital lease obligations:

$ -0- On June 9, 2020 the District entered into an agreement for the lease of two (2) John Deere tractors with Diamond mowers. The lease is automatically renewed on a year-to-year basis for a period of 5 years. The lease in financed through John Deere Financial with interest charged at 2.95%, with annual payments of $69,492.

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6. LONG-TERM LIABILITIES (Continued)

Capital Lease Obligations (Continued)

$42,552 - On April 20, 2021 the District entered into an agreement for the lease of a 2021 Caterpillar 150-15AWD motor grader. The lease is automatically renewed on a year-to-year basis for a period of 5 years. The lease in financed through Caterpillar Financial with interest charged at 2.99%, with annual payments of $43,813.

$35,623 - On April 20, 2021 the District entered into an agreement for the lease of a 2021 Caterpillar 150-15AWD motor grader. The lease is automatically renewed on a year-to-year basis for a period of 5 years. The lease in financed through Caterpillar Financial with interest charged at 2.99%, with annual payments of $36,712.

$82,228 - On July 30, 2021 the District entered into an agreement for the lease of (2) 2021 Freightliner 114 SD trucks. The lease is automatically renewed on a year-to-year basis for a period of 60 months. The lease in financed through Daimler Truck Financial with interest charged at 3.687%, with monthly payments of $3,871.

$85,300 - On November 17, 2021 the District entered into an agreement for the lease for a road grader. The lease is automatically renewed on a year-to-year basis for a period of 2 years. The lease in financed through Caterpillar Financial with interest charged at 2.99%, with annual payments of $44,661.

$85,374 - On November 17, 2021 the District entered into an agreement for the lease for a road grader. The lease is automatically renewed on a year-to-year basis for a period of 2 years. The lease in financed through Caterpillar Financial with interest charged at 2.99%, with semi-annual payments of $44,661.

Debt service for capital leases is as follows:

Maturity Date	Principal	Interest
2025	$206,461	$9,838
2026	124,616	3,416
Totals	$331,077	$31,434

7. OTHER INFORMATION

Comprehensive Livability

The North Latah Highway District purchases liability and property insurance through the Idaho Counties Risk Management Program (ICRMP), which assumes or reinsures all risk covered for claims. Participants are charged an annual insurance premium. The amounts of settlements have not exceeded the insurance coverage for any of the last three years.

7. **OTHER INFORMATION (Continued)**

Comprehensive Liability (Continued)

The general insurance limits are as follows:

PROPERTY

Types of Coverage	Coverage Basis	Limits of Indemnification
Buildings, Structures and Personal Property;		
• Claim Preparation Fees & Expense	Per Occurrence	$100,000
• Debris Removal	Per Occurrence	$2,500,000 (lesser of 25% of damage)
• Earthquake	Per Occurrence	$62,500,000
• Employee/Volunteer Property	Per Accident	$50,000
• Evacuation expense	Per Occurrence	$50,000
• Fire Brigade/Extinguishing	Per Occurrence	$25,000
• Fine Arts	Per Occurrence	$1,000,000
• Flood Type 1	Per Occurrence	$12,500,000
• Flood Type 2	Per Occurrence	$62,500,000
• Increased Construction Cost	Per Occurrence	$2,500,000
• Landscape Items	Per Occurrence	$25,000
• Newly Acquired Property	Per Occurrence	$10,000,000/120 days
• Operational Disruption Expense	Per Occurrence	$5,000,000
• Data Restoration	Per Occurrence	$250,000
• Extra Expense	Per Occurrence	$500,000
• Expediting Expense	Per Occurrence	$500,000
• Leasehold Interest	Per Occurrence	$500,000
• Pipes or fitting failure	Per Occurrence	$1,000,000
• Property in Course of Construction	Per Occurrence	$5,000,000
• Property in Transit	Per Occurrence	$1,000,000
• Preservation of Property	Per Occurrence	$250,000
• Service Animals	Per Occurrence	$30,000
• Unmanned Aircraft	Per Occurrence	$50,000
• Valuable Papers and Records	Per Occurrence	$250,000
• Data Restoration	Per Occurrence	$250,000
• Wind	Per Occurrence	$1,000.000

7. **OTHER INFORMATION (Continued)**

Comprehensive Liability (Continued)

CRIME

Types of Coverage	Coverage Basis	Limits of Claims Brought Pursuant to Title 6, Chapter 9, Idaho Code	Deductibles
Crime Insurance			
1. Employee Dishonesty	Per Occurrence	$500,000	The First $5,000 of any Loss.
2. Loss Inside the Premises	Per Occurrence	$500,000	
3. Loss Outside the Premises	Per Occurrence	$500,000	
4. Notary Bond	Per Occurrence	$25,000	

OCCURRENCE LIABILITY

Auto Liability

Types of Coverage	Coverage Basis	Limits of Claims Brought Pursuant to Title 6, Chapter 9, Idaho Code	Limits For All Other Covered Liability Claims	Defense Cost Limit for Covered Claims
1. Automobile Liability (Outside State of Idaho)	Per covered accident	$500,000	$500,000	$2,000,000
2. Automobile Liability (Inside State of Idaho)	Per covered accident	$500,000	$500,000	Included above
3. Automobile Medical Payments	Each Person Each Accident	$5,000 $100,000	$5,000 $100,000	N/A
4. Uninsured Underinsured Motorists	Per Occurrence	$100,000 $300,000	$100,000 $300,000	Included above

7. **OTHER INFORMATION (Continued)**

OCCURRENCE LIABILITY (Continued)

General Liability

Insuring Agreements	Coverage Basis	Limits of Claims Brought Pursuant to Title 6, Chapter 9, Idaho Code	Limits for All Other Covered Claims	Defense Cost Limit for Coverage Claims
1. General Liability	Per Occurrence	$500,000	$3,000,000	$2,000,000
• Sewer Backup	Per Occurrence	$500,000	$500,000	
• Fire suppression	Per Occurrence	$500,000	$500,000	

Law Enforcement Liability

1. Law Enforcement Liability	Per Occurrence	$500,000	$3,000,000	$2,000,000

CLAIMS MADE LIABILITY COVERAGES

Types of Coverage	Coverage Basis	Limits of Claims Brought Pursuant to Title 6, Chapter 9, Idaho Code	Limits For All Other Covered Liability Claims	Defense Cost Limit for Covered Claims
1. Errors and Omissions Liability	Per covered claim	$500,000	$3,000,000	$2,000,000
2. Employee Benefits Liability	Per covered claim	$500,000	$3,000,000	$2,000,000
3. Employment Practices Liability	Per covered claim	$500,000	$3,000,000	$2,000,000
4. Sexual Molestation Liability	Per covered claim	$500,000	$3,000,000	$2,000,000
5. Chemical Spraying Activities Liability	Per covered claim	$500,000	$500,000	$500,000

7. **OTHER INFORMATION (Continued)**

ENDORESEMENTS

Endorsements	Limit of Indemnification	Coverage Basis
1. Accidental Discharge of Pollutants	$100,000	Per occurrence
2. Cyber Liability Endorsement	$1,000,000	Per covered claim
3. Public Land Fire Suppression	$500,000	Per occurrence
4. Terrorism Liability	$500,000	Per occurrence
5. Asbestos Remediation	Included in Building Value	Per occurrence
6. Equipment Breakdown:		
• Spoilage	$500,000	Per occurrence
• Service Interruption	$2,500,000	Per occurrence
• Expediting Expense	$500,000	Per occurrence
• Business Income (Loss)	$1,000,000	Per occurrence
• Hazardous Substance	$1,000,000	Per occurrence
• Ammonia Contamination	$500,000	Per occurrence
• Electronic Data & Media	$1,000,000	Per occurrence
• CFC Refrigerants	$100,000	Per occurrence
• Computer Equipment	$5,000,000	Per occurrence
7. Attorney Consultation Reimbursement	$2,500	Per occurrence
8. Active Assailant Endorsement	$50,000	Per occurrence

Medical Insurance

Employee Medical and Dental insurance coverage is provided through Regence BlueShield of Idaho, Inc. A summary of the group benefits offered is as follows:

Overall deductible	In network: $500 individual / $1,000 family per calendar year.
Services covered before meeting deductible	Certain prescription drugs and the following in-network services: preventive care, office and urgent care visits and outpatient mental health and substance use disorder office and psychotherapy visits.
Out-of-pocket limit	In-network: $4,000 individual/ $8,000 family per calendar year. Out-of-network: $10,000 individual / $20,000 family per calendar year.
Need referral to see specialist	No

Dental insurance

Overall deductible	$50 individual / $150 family per calendar year.
Services covered before meeting deductible	Yes, Preventive dental services
Overall annual limit on what the plan pays	Yes, $1,500 / individual per calendar year
Need referral to see specialist	No

7. **OTHER INFORMATION (Continued)**

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Fund deficits

No fund deficit balance is reported for September 30, 2024.

District Board of Commissioners Members

At September 30, 2024, the members of the Board of Commissioners were:

Charles Bond
Tim McKinney
Shawn Farley

Fund Balance Reserves and Designations

Restricted Net Assets - Restricted net assets on the government-wide statements represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net assets are restricted for debt service by the bond holder on the outstanding bond.

Non-spendable Fund Balance - The fund balance includes inventory held for operational use by the City and is not in a spendable form.

Committed Fund Balance - The fund balance is committed and can only be used for specific purposes pursuant to constraints imposed by formal action and cannot be used for any other purpose unless the City removes the constraint.

Assigned Fund Balance - The fund balance is assigned for use for specific purposes.

Unassigned Fund Balance - The fund balance has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

Post-Employment Health Care Benefits

The District provides certain health care benefits, in accordance with District ordinances, for retired employees. The District pays for employee's medical insurance until they reach age 65 and have twenty years of service when they reach retirement age, or to pay their medical insurance until they reach age 65 if they are 62 and have 15 years of service.

8. PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

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. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. The 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.

Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 5.0% of the average monthly salary for 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 of 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 statue 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 accumulated sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate. At June 30, 2024 it was 7.8 percent for general employees. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board was 11.96 percent for general employees. The District's contributions required and paid were $195,727, $196,512 and $181,041 for the three years ended September 30, 2024, 2023, and 2022 respectively.

Management has elected to not recorded the September 30, 2024 adjustments to the various pension accounts as reported on the Statement of Net Position and Statement of Activities

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 20, 2024, the date the financial statements were available to be issued. There were not any subsequent events noted during that time.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

MAJOR GOVERNMENTAL FUND

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund. The various components of the General Fund presented in this report include the following:

Administration
Insurance
Operation of plant
Equipment maintenance
Labor costs
Road maintenance
Bridges

NORTH LATAH COUNTY HIGHWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Local	$ 4,010,043	$ 4,010,043	$ 3,109,684	$ (900,359)
State	5,228,106	5,228,106	6,127,813	899,707
Federal	90,000	90,000	65,502	(24,498)
Total revenues	9,328,149	9,328,149	9,302,999	(25,150)
EXPENDITURES				
Current				
Administration	115,950	115,950	100,005	(15,945)
Insurance	52,749	52,749	117,526	64,777
Operation of plant	80,000	80,000	72,811	(7,189)
Equipment maintenance	1,040,000	1,040,000	1,032,403	(7,597)
Labor costs	3,127,410	3,127,410	2,577,732	(549,678)
Road maintenance	2,446,500	2,446,500	2,249,645	(196,855)
Bridges	165,540	165,540	14,179	(151,361)
Capital outlay	1,500,000	1,500,000	505,710	(994,290)
Debt service	600,000	600,000	285,790	(314,210)
Contingency	200,000	200,000	-	(200,000)
Total expenditures	9,328,149	9,328,149	6,955,801	(2,372,348)
Excess (deficiency) revenues over expenditures	-	-	2,347,198	2,347,198
Fund balance at beginning of year	3,183,424	3,183,424	3,183,424	-
Fund balance at end of year	$ 3,183,424	$ 3,183,424	$ 5,530,622	$ 2,347,198

See accountant's compilation report.

INDIVIDUAL FUND SCHEDULES

NORTH LATAH COUNTY HIGHWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES BY SOURCE - GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
LOCAL				
Property taxes, levied for general purposes	$ 4,062,955	$ 4,062,955	$ 3,674,925	$ (388,030)
Less: city apportionment	(1,245,339)	(1,245,339)	(1,062,885)	182,454
Net tax collections	2,817,616	2,817,616	2,612,040	(205,576)
Interest income	-	-	193,574	193,574
Magnesium chloride application	130,000	130,000	150,987	20,987
Other income	-	-	69,404	69,404
Other taxes, penalties, interest	125,000	125,000	83,679	(41,321)
Contingency	937,427	937,427	-	(937,427)
Total local	4,010,043	4,010,043	3,109,684	(900,359)
STATE				
Motor users' revenue	2,746,280	2,746,280	2,890,275	143,995
Other	2,481,826	2,481,826	3,237,538	755,712
Total state	5,228,106	5,228,106	6,127,813	899,707
FEDERAL				
Federal forest funds	90,000	90,000	65,502	(24,498)
Total federal	90,000	90,000	65,502	(24,498)
TOTAL REVENUES	$ 9,328,149	$ 9,328,149	$ 9,302,999	$ (25,150)

See accountant's compilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES BY FUNCTION - GENERAL FUND
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
ADMINISTRATION				
Accounting and auditing	$ 20,000	$ 20,000	$ 9,162	$ (10,838)
Administrative supplies	10,000	10,000	5,322	(4,678)
Commissioner's expense	10,000	10,000	20,633	10,633
Commissioner's salaries	25,950	25,950	25,947	(3)
Land lease	-	-	1,925	1,925
Legal	35,000	35,000	23,513	(11,487)
Telephone	15,000	15,000	13,503	(1,497)
Total administration	115,950	115,950	100,005	(15,945)
INSURANCE	52,749	52,749	117,526	64,777
OPERATION OF PLANT				
Building maintenance	25,000	25,000	12,270	(12,730)
Utilities	40,000	40,000	35,074	(4,926)
Water and garbage	15,000	15,000	25,467	10,467
Total operation of plant	80,000	80,000	72,811	(7,189)
EQUIPMENT MAINTENANCE				
Equipment rental	40,000	40,000	37,800	(2,200)
Fuel and lubricants	500,000	500,000	333,903	(166,097)
Laundry	5,000	5,000	4,570	(430)
Other costs	5,000	5,000	1,493	(3,507)
Repairs and maintenance	400,000	400,000	560,102	160,102
Tires	90,000	90,000	94,535	4,535
Total equipment maintenance	1,040,000	1,040,000	1,032,403	(7,597)
LABOR COSTS				
Employee benefits	900,000	900,000	619,160	(280,840)
Foreman's salaries	258,250	258,250	303,116	44,866
Overtime pay	60,000	60,000	57,771	(2,229)
Part-time wages	22,000	22,000	36,325	14,325
Payroll burden	273,000	273,000	334,915	61,915
Regular labor	1,566,160	1,566,160	1,174,641	(391,519)
Workman's compensation	48,000	48,000	51,804	3,804
Total labor costs	3,127,410	3,127,410	2,577,732	(549,678)

See accountant's compilation report.

NORTH LATAH COUNTY HIGHWAY DISTRICT

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES BY FUNCTION - GENERAL FUND (Continued)
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
ROAD MAINTENANCE				
Culverts and signs	$ 250,000	$ 250,000	$ 110,532	$ (139,468)
Engineering	90,000	90,000	252,628	162,628
Hydroseeding	2,500	2,500		(2,500)
Road oil and asphalt	900,000	900,000	1,111,152	211,152
Road stabilization	250,000	250,000	18,536	(231,464)
Rock	900,000	900,000	698,193	(201,807)
Weed spraying	54,000	54,000	58,604	4,604
Total road maintenance	2,446,500	2,446,500	2,249,645	(196,855)
BRIDGES				
Repairs	165,540	165,540	14,179	(151,361)
CAPITAL OUTLAY				
Equipment purchases	600,000	600,000	505,710	(94,290)
Buildings	200,000	200,000	-	(200,000)
Bridges	700,000	700,000	-	(700,000)
Total capital outlay	1,500,000	1,500,000	505,710	(994,290)
DEBT SERVICE				
Interest	50,000	50,000	18,180	(31,820)
Principal	550,000	550,000	267,610	(282,390)
Total debt service	600,000	600,000	285,790	(314,210)
CONTINGENCY	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	$ 9,328,149	$ 9,328,149	$ 6,955,801	$ (2,372,348)

See accountant's compilation report.