Plummer Gateway Highway District
Financial Statements

FISCAL YEAR ENDED
SEPTEMBER 30, 2024

Plummer Gateway Highway District

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Financial Section

Independent Auditor's Report

HOOVER
Certified Public Accountant | Business Consultant

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Plummer Gateway Highway District
Plummer, Idaho 83851

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Plummer Gateway 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 each major fund of Plummer Gateway Highway District as of September 30, 2024, and the respective changes in financial position thereof for the year then ended in conformity 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*, issues 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and 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 my 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 certain required supplementary information as listed in the table of contents must be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued my report dated January 20, 2025, on our consideration of Plummer Gateway Highway District's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plummer Gateway Highway District's internal control over financial reporting and compliance.

Scott P. Hoover, CPA

Scott P. Hoover, CPA, PLLC
Liberty Lake, WA

January 20, 2025

Financial Section

Basic Financial Statements

Plummer Gateway Highway District

STATEMENT OF NET POSITION
September 30, 2024

ASSETS:		
Cash and investments	$	763,170
Receivables		104,127
Prepaids		2,803
Gravel and rock chip inventory		94,043
Land and gravel pits		101,607
Capital assets, net of accumulated depreciation		617,762
Total assets		1,683,512
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred pension outflows		45,554
Total deferred outflows of resources		45,554
LIABILITIES:		
Accounts payable		14,726
Accrued interest payable		2,488
Noncurrent liabilities:		
Due within one year:		
Equipment loan payable		41,346
Due in more than one year:		
Equipment loan payable		87,224
Accrued compensated absences		32,533
Net pension liability		187,343
Total liabilities		365,660
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflows		3,401
Total deferred inflows of resources		3,401
NET POSITION:		
Net investment in capital assets		590,799
Unrestricted		769,206
Total net position	$	1,360,005

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Plummer Gateway Highway District

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

EXPENSES:		
Personnel expenses	$	329,099
Maintenance and operations		339,038
Depreciation		81,234
Administration		20,689
Legal and professional		5,386
Interest		6,079
Change in net pension liability		56,650
Unallocated actual PERSI contributions		(29,789)
Total expenses		808,386
GENERAL REVENUES:		
Highway user		717,482
Property taxes		144,553
Miscellaneous		8,499
Federal forest		10,512
Sales tax		11,368
Interest		19,633
Total general revenues		926,694
Change in net position		118,308
Net position- beginning		1,241,697
Net position- ending	$	1,360,005

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Plummer Gateway Highway District

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	General
ASSETS:	
Cash and investments	$ 763,170
Receivables:	
Taxes	7,887
Highway user	91,784
Interest	4,456
Prepaid expenses	2,803
Gravel and rock chip inventory	94,043
Total assets	$ 964,143
LIABILITIES:	
Accounts payable	$ 14,726
Accrued interest payable	2,488
Total liabilities	17,214
DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue- property taxes	6,736
Total deferred inflows of resources	6,736
FUND BALANCES:	
Nonspendable- prepaids	2,803
Unassigned	937,390
Total fund balances	940,193
Total liabilities, deferred inflows of resources, and fund balances	$ 964,143

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Plummer Gateway Highway District

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

Total fund balances - Governmental Funds, September, 30, 2024		$	940,193
Cost of capital assets, September 30, 2024	1,779,811		
Less: Accumulated depreciation, September 30, 2024			
Buildings	(63,376)		
Improvements	(9,367)		
Equipment	(853,950)		
Vehicles	(79,083)		
Roads and bridges	(54,666)		719,369
Elimination of unavailable revenue- property taxes			6,736
Long-term liabilities at September 30, 2024			
Equipment loans payable			(128,570)
Compensated absences			(32,533)
Pension liabilities and deferred outflows of resources and deferred inflows of resources related to pensions:			
District's proportionate share of the net pension liability			(187,343)
Proportionate share of collective deferred outflows of resources			45,554
Proportionate share of collective deferred inflows of resources			(3,401)
Net position, September 30, 2024		$	1,360,005

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Plummer Gateway Highway District

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

	Total Governmental Funds
REVENUES:	
Highway user	$ 717,482
Property taxes	142,445
Miscellaneous	8,499
Federal forest	10,512
Sales tax	11,368
Interest	19,633
Total revenues	909,939
EXPENDITURES:	
Personnel expenses	323,252
Maintenance and operations	339,038
Administration	20,689
Legal and professional	5,386
Capital outlay	29,073
Debt service:	
Principal payments	39,906
Interest	6,079
Total expenditures	763,423
(Deficiency) of revenues (under) expenditures	146,516
OTHER FINANCING SOURCES:	
Proceeds from sale of governmental assets	26,950
Total other financing sources	26,950
Net change in fund balance	173,466
Fund balance- beginning	766,727
Fund balance- ending	$ 940,193

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Plummer Gateway Highway District

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

Total net changes in fund balances for the year ended September 30, 2024	$	173,466
Add: Capital outlay, which is considered expenditures		29,073
Less: Depreciation expense for the year ended September 30, 2024		(81,234)
Less: Proceeds from sale of capital assets		(26,950)
Add: Gain on disposal of capital assets		14,647
Add: Principal payments on equipment loans		39,906
Less: Change in compensated absences accrual		(5,847)
Add: Difference between revenue earned on property taxes on modified-accrual basis versus revenue on property taxes on accrual basis		2,108
Less: Change in net pension liability		(26,861)
Change in net position for the year ended September 30, 2024	$	118,308

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Scope of the Entity – The accompanying financial statements includes all aspects controlled by the Board of Commissioners of the Plummer Gateway Highway District (the "District").

The Plummer Gateway Highway District was formed and became a taxing district in 1917. The District operates under a locally elected three-member board form of government and provides for maintenance and construction of public roadways under its jurisdiction as defined by the District's Board of Commissioners. Commissioners are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters as defined by Idaho Code 40-1310 Powers and Duties of Highway District Commissioners.

The financial statements of Plummer Gateway Highway District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The most significant of the District's accounting policies are described below.

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues

C. Basis of Presentation- Fund Financial Statements

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The District reports only the following fund type:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The District has the following governmental fund, which by default, is deemed a major fund:

General Fund – The general fund is the District's only fund. It accounts for all financial resources of the general government.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days after year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days after year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. When applicable, the fair value of donated asses used during the year is reported in the operating statement as an expense with a like amount reported as donated assets revenue.

E. Cash Equivalents and Short-term Investments

In the general fund, cash received by the District is pooled for investment purposes and is presented as “Cash and Investments” on the financial statements.

During the fiscal year ended September 30, 2024, investments were limited to the Idaho State Investment Pool and the Idaho State Diversified Bond Fund, and certificates of deposit. The Idaho State Investment Pool and Idaho State Diversified Fund are investment pools, which allow districts within the State of Idaho to pool their funds for investment purposes. Investments in these two funds are valued at cost, which materially equals market value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash Equivalents and Short-term Investments (Concluded)

For presentation in the financial statements, investments in the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. The CD's have been presented as cash equivalents because there are negligible penalties in the event of liquidation.

F. Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, etc.), are generally a result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $2,000. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Land and gravel pits are not depreciated. All other reported capital assets including buildings, equipment, vehicles and roads are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Vehicles	10 – 15 years
Infrastructure	50 years
Buildings and Improvements	15 – 50 years
Heavy Equipment	10 – 35 years

G. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when earned in the government-wide financial statements.

The entire compensated absence liability is reported on the government-wide financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions.*

In addition to liabilities, the statement of financial position will sometimes report 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The District has one type of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources from one source: accounting for the net pension obligation in accordance with GASB 68, *Accounting and Financial Reporting for Pensions.*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance Classifications

The District has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

The District reports the following classifications as applicable:

Non-spendable Fund Balance – Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds. Legal enforceability means that the District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Amounts in the committed fund balance classification may be used for other purposes with the appropriate due process by the Board of Commissioners. Committed fund balances differ from restricted fund balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the District Clerk/Treasurer, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Board of Commissioners have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

L. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental funds financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

M. Net Position Flow Assumption

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets (net of any related debt) consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

O. Property Taxes

The District's property tax is levied each November on the assessed value listed as of the prior September for all property located in the District. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and June.

P. 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.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. 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 general 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. The budget was not amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to August 31, the budget is adopted by resolution of the Board of Commissioners and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

NOTE 3: CASH AND INVESTMENTS

General:

State statutes authorize the District's investments and deposits. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of September 30, 2024, the District's bank deposits and investments were exposed to custodial credit risk as follows:

NOTE 3: CASH AND INVESTMENTS (CONCLUDED)

Deposits without exposure to custodial credit risk:		
Amounts insured by the FDIC	$	500,000
Deposits with exposure to custodial credit risk:		
Uninsured bank deposits in excess of FDIC limits	$	177,465
Amounts collateralized with securities held in trust, but not in the District's name		94,811
Total deposits	$	772,276
Cash and investments at September 30, 2024 consist of the following:		
Deposits	$	357,485
Certificates of deposit		310,874
Diversified bond fund		87,892
LGIP		6,919
Total	$	763,170
Carrying amounts of deposits is displayed in the statements as follows:		
Cash and investments	$	763,170

Fair Value:

The District's investments in 2a-7-like pools are valued based upon the value of pool shares. The District invests in two 2a-7-like pools, the Idaho State Investment Pool and the Idaho State Diversified Bond Fund. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The Idaho State Investment Pool and Idaho State Diversified Bond Fund are duly chartered and administered by the State Treasurer's office and consist of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

The balances above that the District has in the Idaho State Investment Pool and the Idaho State Diversified Bond Fund are carried at cost which approximates their fair market value. The District's portion of the Idaho State Investment Pool and Idaho State Diversified Bond Fund had an unrealized gain/(loss) of $18 and ($3,200), respectively, as of September 30, 2024. Since the difference between the fair market value and cost is immaterial, the unrealized gains and losses have not been recorded.

The District considers funds held in the Idaho State Investment Pool and Idaho Diversified Bond Fund to be cash equivalents, as the District is able to liquidate its accounts at any time.

Credit Risk:

The Idaho State Investment Pool and the Idaho State Diversified Bond Fund do not have an established credit rating, but they invest in entities with a minimum credit rating of "A" as stipulated by Idaho code. The District does not have a formal policy for credit risk. Financial information on the investment pool can be obtained by contacting the Idaho State Treasurer.

NOTE 4: CAPITAL ASSETS

Following is a recap of capital assets for the fiscal year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government activities:					
Capital assets, not being depreciated:					
Land	$ 44,833	$ -	$ -	$ -	$ 44,833
Gravel pits	56,824	-	50	-	56,774
Total capital assets, not being depreciated	101,657	-	50	-	101,607
Capital assets, being depreciated:					
Buildings	108,289	-	-	-	108,289
Improvements	14,052	-	-	-	14,052
Equipment	1,167,279	9,513	32,919	-	1,143,873
Vehicles	279,232	19,560	-	-	298,792
Roads and bridges	113,198	-	-	-	113,198
Total capital assets being depreciated	1,682,050	29,073	32,919	-	1,678,204
Less accumulated depreciation for:					
Buildings	61,216	2,160	-	-	63,376
Improvements	8,838	530	-	(1)	9,367
Equipment	787,493	44,943	20,666	42,180	853,950
Vehicles	90,516	30,746	-	(42,179)	79,083
Roads and bridges	51,811	2,855	-	-	54,666
Total accumulated depreciation	999,874	81,234	20,666	-	1,060,442
Total capital assets, being depreciated, net	682,176	(52,161)	12,253	-	617,762
Governmental activities capital assets, net	$ 783,833	$ (52,161)	$ 12,303	$ -	$ 719,369

Depreciation expense was $81,234 for the year ended September 30, 2024 and was charged to the highway construction and maintenance governmental function

NOTE 5: LOANS PAYABLE

During the fiscal year ended September 30, 2022, the District financed the purchase of a John Deere Excavator. The total amount financed was $206,991. The loan calls for five annual payments of principal and interest of $45,985 and an annual interest rate of 3.55%, with the first payment due in April 2023.

The following is a schedule of remaining required payments for the Excavator loan:

Fiscal Year	Principal	Interest	Total
2025	$ 41,346	$ 4,639	$ 45,985
2026	42,838	3,147	45,985
2027	44,385	1,600	45,985
	$ 128,569	$ 9,386	$ 137,955

NOTE 6: LONG-TERM DEBT

A summary of general long-term debt is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due in one year
Equipment loan - Loader	$ 1	$ -	$ -	$ 1	$ -
Equipment loan - Excavator	168,475	-	39,906	128,569	41,346
Compensated absences	26,686	5,847	-	32,533	-
	$ 195,162	$ 5,847	$ 39,906	$ 161,103	$ 41,346

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The Plummer Gateway Highway 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. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Member and Employer Contributions

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

The contribution rates for employees are set by stature at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024, it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. Plummer Gateway Highway District's contributions were $29,789 for the year ended September 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, Plummer Gateway Highway 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. Plummer Gateway Highway District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.0050083 percent.

For the year ended September 30, 2024, the District recognized pension expense of $56,650. 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
Differences between expected and actual experience	$ 29,827	$ -
Changes in assumptions or other inputs	7,422	-
Net difference between projected and actual earnings on pension plan investments	-	3,401
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
District's contributions subsequent to the measurement date	8,305	-
Total	$ 45,554	$ 3,401

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

$8,305 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) determined at July 1, 2022 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 years for the measurement period 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:

Year Ending September 30,	
2025	9,246
2026	34,931
2027	(6,024)
2028	(4,305)

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 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%

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.0%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Discount Rate

The discount rate used to measure the total pension liability (asset) 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 District's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the District's proportional 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	$ 356,010	$ 187,343	$ 49,585

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 outstanding 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 8: RISK MANAGEMENT

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. The District contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

The District pays the State Workers' Compensation System a premium based on a rate per $100 of salaries or wages. This rate is calculated based on accident history and administrative costs. The District provides medical and dental insurance to most employees.

Required Supplementary Information

Plummer Gateway Highway District

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original * Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES:			
Highway users	$ 535,235	$ 717,482	$ 182,247
Property taxes	132,450	142,445	9,995
Miscellaneous	14,992	8,499	(6,493)
Federal forest	9,989	10,512	523
Sales tax	11,441	11,368	(73)
Interest	8,000	19,633	11,633
Total revenues	712,107	909,939	197,832
EXPENDITURES:			
Personnel expenses	319,550	323,252	(3,702)
Maintenance and operations	489,153	339,038	150,115
Administration	22,506	20,689	1,817
Legal and professional	8,400	5,386	3,014
Capital outlay	94,206	29,073	65,133
Debt service:			
Interest	-	6,079	(6,079)
Principal payments	-	39,906	(39,906)
Total expenditures	933,815	763,423	170,392
(Deficiency) of revenues (under) expenditures	(221,708)	146,516	368,224
OTHER FINANCING SOURCES			
Proceeds from sale of governmental assets	5,000	26,950	21,950
Total other financing sources	5,000	26,950	21,950
Net change in fund balance	(216,708)	173,466	390,174
Fund balance- beginning	216,708	766,727	550,019
Fund balance- ending	$ -	$ 940,193	$ 940,193

* Budget was not amended during the year

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Plummer Gateway Highway District

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability (asset)	0.050083%	0.048992%	0.054587%	0.043110%	0.048223%	0.041151%	0.037781%	0.034610%	0.002958%	0.003321%
Employer's proportionate share of the net pension liability (asset)	$ 187,343	$ 195,509	$ 215,004	$ (3,405)	$ 111,980	$ 46,973	$ 55,728	$ 54,395	$ 59,967	$ 43,736
Employer's covered-employee payroll	$ 264,404	$ 214,583	$ 200,123	$ 180,940	$ 160,427	$ 154,505	$ 126,485	$ 113,909	$ 82,797	$ 94,257
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	70.85%	91.11%	107.44%	-1.88%	69.80%	30.40%	44.06%	47.75%	72.43%	46.40%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Date reported is measured as of June 30.

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 29,789	$ 25,216	$ 23,895	$ 21,604	$ 19,155	$ 17,746	$ 14,318	$ 12,895	$ 9,373	$ 10,670
Contributions in relation to statutorily required contribution	(29,789)	(25,216)	(23,895)	(21,604)	(19,155)	(17,746)	(14,318)	(12,895)	(9,373)	(10,670)
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 264,404	$ 214,583	$ 200,123	$ 180,940	$ 160,427	$ 154,505	$ 126,485	$ 113,909	$ 82,797	$ 94,257
Contributions as a percentage of covered-employee payroll	11.27%	11.75%	11.94%	11.94%	11.94%	11.49%	11.32%	11.32%	11.32%	11.32%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Date reported is measured as of September 30.

Report Required by the GAO

HOOVER
Certified Public Accountant | Business Consultant

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*

Independent Auditor's Report

To the Board of Commissioners
Plummer Gateway Highway District
Plummer, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Plummer Gateway Highway District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Plummer Gateway Highway District's basic financial statements and have issued our report thereon dated January 20, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plummer Gateway Highway District's internal control over financial reporting (Internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plummer Gateway Highway District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*.

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 (CONCLUDED)*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scott P. Hoover, CPA

Scott P. Hoover, CPA, PLLC

Liberty Lake, WA

January 20, 2025