SOUTH LATAH HIGHWAY DISTRICT

Genesee, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2024

SOUTH LATAH HIGHWAY DISTRICT

Genesee, Idaho

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

Independent Auditor's Report **1–3**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards* **4–5**

Management's Discussion and Analysis **6–9**

FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position **10**

Statement of Activities **11**

Fund Financial Statements

Balance Sheet – Governmental Fund **12**

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities **13**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund **14**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities **15**

Notes to the Financial Statements **16–30**

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund **31**

Net Pension (Asset) Liability Related Schedules **32**

FINANCIAL SECTION

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
South Latah Highway District
Genesee, Idaho 83832

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of South Latah Highway District as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Latah Highway District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 South Latah Highway District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Latah Highway District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9, the budgetary comparison schedule on page 31, and the net pension (asset) liability related schedules on page 32. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 12, 2024 on our consideration of South Latah Highway District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of South Latah Highway District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering South Latah Highway District's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
December 12, 2024

HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
South Latah Highway District
Genesee, Idaho 83832

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of South Latah Highway District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise South Latah Highway District's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Latah 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 South Latah Highway District's internal control. Accordingly, we do not express an opinion on the effectiveness of South Latah Highway District's internal control.

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

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

not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hayden Ross, PLLC

Moscow, Idaho
December 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

The management's discussion and analysis (MD&A) of South Latah Highway District's financial performance provides an overall review of the District's financial activities for the year ended September 30, 2024. The intent of this MD&A is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

The District's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the District, the general fund, is a governmental fund.

Governmental Funds - Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The District adopts an annual appropriated budget for its governmental fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis
Statements of Net Position
September 30,

	2024	2023	Change
Assets			
Current assets	2,891,998	2,733,972	158,026
Capital assets	2,064,393	1,758,909	305,484
Total Assets	**4,956,391**	**4,492,881**	**463,510**
Deferred Outflows of Resources	**84,243**	**143,451**	**(59,208)**
Liabilities			
Current liabilities	213,259	539,765	(326,506)
Noncurrent liabilities	610,740	535,307	75,433
Total Liabilities	**823,999**	**1,075,072**	**(251,073)**
Deferred Inflows of Resources	**762,496**	**430,185**	**332,311**
Net Position			
Net investment in capital assets	1,687,984	1,500,662	187,322
Assigned for capital projects	1,128,833	445,273	683,560
Unrestricted	637,322	1,185,140	(547,818)
Total Net Position	**$ 3,454,139**	**$ 3,131,075**	**$ 323,064**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was $3,454,139 at September 30, 2024.

By far the largest portion of the District's net position (48.87%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-Wide Financial Analysis
Changes in Net Position

	2024 - 2023	2023 - 2022	Change
Revenues			
Program Revenues:			
Capital grants and contributions	30,500	23,000	7,500
General Revenues:			
Property taxes	443,530	453,548	(10,018)
Intergovernmental	1,768,436	1,476,201	292,235
Miscellaneous	17,910	38,759	(20,849)
Interest earnings	75,740	51,044	24,696
Gain on disposal of capital assets	103,400	2,000	101,400
Total Revenues	**2,439,516**	**2,044,552**	**394,964**
Expenses			
Administration	105,467	82,782	22,685
Road maintenance	1,568,282	1,250,509	317,773
Equipment maintenance	170,669	263,132	(92,463)
Operation of plant	29,378	31,630	(2,252)
Capital outlay	515	3,568	(3,053)
Debt service - interest	18,968	8,133	10,835
Depreciation, unallocated	223,173	151,200	71,973
Total Expenses	**2,116,452**	**1,790,954**	**325,498**
Change in Net Position	**323,064**	**253,598**	**69,466**
Net Position - Beginning	**3,131,075**	**2,789,941**	**341,134**
Prior period adjustment	**-**	**87,536**	**(87,536)**
Net Position - Ending	**$ 3,454,139**	**$ 3,131,075**	**$ 323,064**

Governmental activities:

Net position increased by $323,064 in the governmental activities in fiscal year 2024. Key elements of this net increase are as follows:

- Increase in intergovernmental revenues
- Increase in gain on disposal of capital assets

Capital Asset and Debt Administration - At the end of fiscal year 2024, the District had $2,064,393 invested in capital assets (land, buildings, equipment, and vehicles). These assets are necessary to carry out the day-to-day operations of the District.

Governmental Activities
Capital Assets Net of Accumulated Depreciation
September 30,

	2024	2023	Change
Land	1,200	1,200	-
Construction in progress	161,805	115,789	46,016
Buildings	218,433	229,077	(10,644)
Equipment	1,135,003	836,306	298,697
Infrastructure	547,952	576,537	(28,585)
Net Capital Assets	**$ 2,064,393**	**$ 1,758,909**	**$ 305,484**

At the end of fiscal year 2024, the District had $376,409 in long-term debt obligations related to the western star truck and the cat 150 grader. These liabilities are necessary to carry out the day-to-day operations of the District.

Budget Variations: - Developing a budget is a best estimate at the time of projection of revenues that you anticipate receiving and the expenses that you estimate will be needed during the next fiscal year. There were no funds that which expenditures exceeded appropriations.

Fund Budgetary Highlights: - Below is a description of significant budget to actual differences for the year.

General fund – Budget to actual differences within expenditures was slightly higher than FY2023, as 77% of our expected expenditures were used as anticipated. The expenditures were lower than predicted due to a decrease in road maintenance and equipment maintenance. The revenues were higher than predicted due to an increase in intergovernmental, taxes, and interest.

Requests for Information - This financial report is designed to provide a general overview of South Latah Highway District's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to District Office, 154 Chestnut, Genesee, Idaho 83832.

SOUTH LATAH HIGHWAY DISTRICT
GENESEE, IDAHO

STATEMENT OF NET POSITION
September 30, 2024

ASSETS		
Current assets:		
Cash	171,519	
Investments	1,641,501	
Receivables:		
Taxes receivable	9,336	
Unbilled taxes receivable	429,985	
Due from other governments	276,717	
Other receivable	10	
Deposits	500	
Inventory	350,492	
Prepaid items	11,938	
Total current assets	2,891,998	
Noncurrent assets:		
Non-depreciated capital assets	163,005	
Depreciated capital assets (net of accumulated depreciation)	1,901,388	
Total noncurrent assets	2,064,393	
TOTAL ASSETS		4,956,391
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items		84,243
LIABILITIES		
Current liabilities:		
Accounts payable	96,693	
Accrued interest payable	15,490	
Accrued compensated absences	23,670	
Current portion of long-term liabilities	77,406	
Total current liabilities	213,259	
Noncurrent liabilities:		
Noncurrent portion of long-term liabilities	299,003	
Net pension liability	311,737	
Total noncurrent liabilities	610,740	
TOTAL LIABILITIES		823,999
DEFERRED INFLOWS OF RESOURCES		
Deferred state revenue	323,365	
Unavailable tax revenue	429,985	
Pension related items	9,146	
TOTAL DEFERRED INFLOWS OF RESOURCES		762,496
NET POSITION		
Net investment in capital assets	1,687,984	
Unrestricted - assigned for capital projects	1,128,833	
Unrestricted - Unassigned	637,322	
TOTAL NET POSITION		$ 3,454,139

SOUTH LATAH HIGHWAY DISTRICT
GENESEE, IDAHO

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
Administration	105,467	-	-	-	(105,467)
Road maintenance	1,568,282	-	-	30,500	(1,537,782)
Equipment maintenance	170,669	-	-	-	(170,669)
Operation of plant	29,378	-	- J	-	(29,378)
Capital outlay	515	-	-	-	(515)
Debt service - interest	18,968	-	-	-	(18,968)
Depreciation, unallocated	223,173	-	-	-	(223,173)
Total	$ 2,116,452	$ -	$ -	$ 30,500	(2,085,952)
General Revenues					
Taxes					443,530
Intergovernmental					1,768,436
Miscellaneous					17,910
Interest earnings					75,740
Gain on disposal of capital asset					103,400
Total general revenues					2,409,016
Change in net position					323,064
Net position - beginning					3,131,075
Net position - ending					$ 3,454,139

SOUTH LATAH HIGHWAY DISTRICT
GENESEE, IDAHO

GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash	171,519	
Investments	1,641,501	
Receivables:		
Taxes receivable	9,336	
Unbilled taxes receivable	429,985	
Due from other governments	276,717	
Other receivable	10	
Deposits	500	
Inventory	350,492	
Prepaid items	11,938	
Total assets	2,891,998	
Deferred outflows of resources	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		$ 2,891,998
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	96,693	
Total liabilities	96,693	
Deferred inflows of resources:		
Deferred revenue	8,402	
Deferred state revenue	323,365	
Unavailable property tax revenue	429,985	
Total deferred inflows of resources	761,752	
Fund balance:		
Nonspendable	362,930	
Assigned for capital projects	1,128,833	
Unassigned	541,790	
Total fund balance	2,033,553	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		$ 2,891,998

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total fund balance - governmental fund		2,033,553
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Cost of capital assets	4,838,575	
Accumulated depreciation	(2,774,182)	
		2,064,393
Property taxes receivable will 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.		8,402
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		84,243
Deferred inflow of resources		(9,146)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.		(15,490)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:		
Accrued compensated absences		(23,670)
Long-term debt		(376,409)
Net pension liability		(311,737)
Total net position - governmental activities		$ 3,454,139

SOUTH LATAH HIGHWAY DISTRICT
GENESEE, IDAHO

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

REVENUES		
Taxes	442,162	
Intergovernmental	1,768,436	
Grant income	30,500	
Miscellaneous income	17,910	
Interest earnings	75,740	
Total revenues		2,334,748
EXPENDITURES		
Administration	105,467	
Road maintenance	1,539,443	
Equipment maintenance	170,669	
Operation of plant	29,378	
Capital outlay	529,172	
Debt service	81,432	
Total expenditures		2,455,561
Excess (deficiency) of revenue over (under) expenditures		(120,813)
Other financing sources (uses)		
Proceeds from long term financing	190,000	
Proceeds from sale of capital asset	103,400	
Total other financing sources (uses)		293,400
Net change in fund balance		172,587
Fund balance - beginning		1,860,966
Fund balance - ending		$ 2,033,553

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

Net change in fund balance - total governmental fund		172,587
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 position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlays	528,657	
Depreciation expense	(223,173)	
		305,484
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "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.		1,368
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is recorded when due.		(9,374)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. In the current year these consist of the (increase) decrease in compensated absences.		(605)
Repayment of the principal on long-term debt is an expenditure in the governmental funds, but it reduces the long-term debt payable in the statement of net position and does not affect the statement of activities.		71,838
Purchase of equipment using long term financing is income in the governmental funds, but it increases the long term liabilities in the statement of net position and does not affect the statement of activities.		(190,000)
Net pension (asset) liability adjustments:		
Fiscal year 2023 employer PERSI contributions recognized as pension expense in the current year	(10,738)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	12,525	
Pension related amortization revenue (expense)	(30,021)	
		(28,234)
Total change in net position - governmental activities		$ 323,064

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 Summary of Significant Accounting Policies

South Latah Highway District was formed to construct, maintain, repair and improve all highways within its district. The District is a corporate and political body created under the laws of the State of Idaho, based upon Title 40 of the Idaho Code. The District's offices are maintained at Genesee, Idaho. The District's area includes south Latah County and a small portion of adjoining Nez Perce County.

The District, being a political subdivision of the State of Idaho, is exempt from federal and Idaho income taxes. Accordingly, no provision for income taxes is shown in the financial statements.

The financial statements of South Latah Highway District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity - South Latah Highway District is the basic level of government, which has financial accountability, and control over all activities related to the activities within the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Commissioners are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organization that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or levying of taxes. There are no organizations that meet the definition of a component unit.

Basis of Presentation, Fund Accounting - Government-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District. Only governmental-type activities are shown since there are no "business-type activities" within the District.

The statement of net position presents the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consist of capital assets, net of accumulated depreciation and related debt.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Restricted net position consists of net position that has constraints placed on its use externally by grant provisions or law. Assigned net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The District reports the following major governmental fund:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources.

Basis of Accounting - 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 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, including property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental fund to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Restricted Resources - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Cash and Cash Equivalents - The District's cash includes amounts in demand deposits in local depositories. The District considers all short-term deposits and highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Investments - Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow special districts within the State of Idaho to pool their funds for investment purposes.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity and yield.

Inventory - Inventory consists of stockpiles of rock which are recorded at cost on a first-in, first-out basis. The cost of inventory is recognized as an expense in the government-wide financial statements and fund financial statements when used (consumption method). In the fund financial statements, inventories are offset by a fund balance reserve for management purposes, which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

Capital Assets - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements. Lives for buildings and improvements range from 15-40 years. Lives for equipment range from 5-10 years. Vehicles have estimated lives of 10 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The District has a capitalization policy of $2,500.

Leases - The District evaluates each lease agreement at the time of inception to determine the reporting requirements of each lease. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Subscription-based Information Technology Arrangements (SBITA) - The District evaluates each information technology (IT) agreement at the time of inception to determine the reporting requirements of each SBITA. SBITAs that met the definition of a right-of-use (ROU) agreement are included as SBITA ROU assets and SBITA ROU liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying IT asset for the IT contract term and lease liabilities represent the obligation to make lease payments arising from the contract. SBITA ROU assets and liabilities are recognized at commencement date based on the present value of contact payments over the IT contract term. As most of the contracts do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of contract payments. The IT contract terms may include options to extend or terminate the contract when it is reasonably certain that the option(s) will be exercised. SBITA expense for contract payments is recognized on a straight-line basis over the contract term. IT contracts with a maximum term of 12 months or less are excluded from the SBITA ROU asset and liability amounts.

Encumbrances - The District does not follow the practice of encumbering funds at year end.

Compensated Absences - 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. The District has a policy to pay out 20% of sick benefits to retirees (nothing to those who are terminated or quit), it is not a determinable liability and therefore is not booked on the financial statements. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Balance - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Board of Commissioners. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes, as approved by the Board of Commissioners, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications. The District applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Assigned balances, as approved by the Board of Commissioners, are as follows:

- **Capital Projects –** The Board of Commissioners has assigned $1,128,833 for capital asset acquisition and construction.

Nonspendable Balances are as follows:

- **Inventory –** Crushed rock on hand at the end of the year.
- **Prepaid Items –** Items determined to be related to future years.
- **Deposits –** Security deposit with Clearwater Power.

Deferred Revenue - Deferred revenue in the general fund represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

Deferred State Revenue - Deferred state revenue in the general fund represents highway user money that has been received in advance for FY2025 operations.

Unavailable Property Tax Revenue - Unavailable property tax revenue in the general fund represents the property taxes levied for 2024 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

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

Subsequent Events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2024, there was one new GASB statements that became effective. The adoption of the statement has the following effect for the District:

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement delineates required note disclosures when there is a reported accounting change or correction of an error. This statement did not have an effect on the financial reporting of the District.

NOTE 3 Stewardship, Compliance, and Accountability

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the last week in August, the Board of Commissioners adopts a proposed budget for the fiscal year commencing on the following October 1st, and sets the time and place for a public hearing on the proposed budget. The proposed budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments prior to the first Friday in September. At the conclusion of the public hearing, the Board of Commissioners adopts the budget, and the budget is legally enacted through passage of an appropriation resolution.
3. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The District may, at any time during the fiscal year, by using the same procedure, which was used in adopting the original appropriation ordinance, amend the appropriation ordinance to a greater amount than adopted. However, this can only happen if, after the adoption of the regular appropriation ordinance, the District receives additional revenue in that fiscal year as a result of an increase in state and federal grants or allocations.

NOTE 4 Property Tax

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the District has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was $401,100,148. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
Levy	10.27679 %	$428,380

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general fund in the amount of $429,985. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

NOTE 4 Property Tax (Continued)

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

Total taxes receivable at September 30, 2024	9,336
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2024	(934)
Deferred revenue	$ 8,402

NOTE 5 Cash and Cash Equivalents

Deposits

Cash on Hand

Cash on hand totaled $467 at September 30, 2024.

	Carrying Amount	Bank Balance
Cash in checking	$ 171,052	$ 31,650

Deposits were with Wells Fargo Bank of which $250,000 was covered by Federal Deposit Insurance. Any balance is in excess of the FDIC insured limit is uncollateralized and unsecured.

Investments

The District's investments, except for amounts held in the State Treasurer's Pool, are classified as uncollateralized.

Investment Maturities:

External Investment Pool	Book Value	Market Value	Less than 1 Year	1-8 Years
State Investment Pool	$1,641,501	$1,641,501	$1,641,501	$ -

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of

NOTE 5 Cash and Cash Equivalents (Continued)

Idaho or other local governments within the State of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the State of Idaho, repurchase agreements covered by any legal investment for the State of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the State of Idaho, revenue bonds of institutions of higher education of the State of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days' notification.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The District does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total Investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District does not have a policy limiting the amount it may invest in any one issuer.

NOTE 6 Capital Assets

Capital asset activity of the District's governmental activities are as follows:

	Beginning Balance	Additions	Transfers	Dispositions	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated					
Construction in progress	115,789	46,016	-	-	161,805
Land	1,200	-	-	-	1,200
Subtotal	116,989	46,016	-	-	163,005
Capital Assets Being Depreciated					
Buildings	410,529	-	-	-	410,529
Equipment	3,227,335	482,641	-	(266,923)	3,443,053
Infrastructure	821,988	-	-	-	821,988
Subtotal	4,459,852	482,641	-	(266,923)	4,675,570
Accumulated Depreciation					
Buildings	(181,452)	(10,644)	-	-	(192,096)
Equipment	(2,391,029)	(183,944)	-	266,923	(2,308,050)
Infrastructure	(245,451)	(28,585)	-	-	(274,036)
Subtotal	(2,817,932)	(223,173)	-	266,923	(2,774,182)
Net capital assets being depreciated	1,641,920	259,468	-	-	1,901,388
Net Capital Assets	$1,758,909	$ 305,484	$ -	$ -	$2,064,393

NOTE 7 Long-term Debt

On March 22, 2019, the District entered into a financing agreement for a snowplow in the amount of $220,072, of which they paid cash of $75,000 and financed the balance of $145,072. The interest is stated at 3.950%. Five payments of $32,596 will be made annually. Final payment was made in March of 2024. The District is depreciating this asset using the straight-line method over a useful life of 10 years.

On March 17, 2023, the District entered into a financing agreement for a 2024 Western Star in the amount of $278,752, of which they paid cash of $50,000 and financed the balance of $228,752. The interest is stated at 4.418%. Five payments of $51,988 will be made annually. Final payment will be made in March of 2028. The District is depreciating this asset using the straight-line method over a useful life of 10 years.

NOTE 7 Long-term Debt (Continued)

On October 10, 2023, the District entered into a financing agreement for a 2024 CAT 150 AWD Grader in amount of $402,641, of which they paid cash of $212,641 and financed the balance of $190,000. The interest is stated at 5.960%. Five payments of $45,166 will be made annually. Final payment will be made in October of 2028. The District is depreciating this asset using the straight-line method over a useful life of 10 years.

The following is a summary of changes in long-term debt obligations of South Latah Highway District for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Non Current Portion
Snowplow	29,495	-	29,495	-	-	-
Western Star	228,752	-	42,343	186,409	43,733	142,676
Cat 150 Grader	-	190,000	-	190,000	33,673	156,327
Total Loan	$ 258,247	$ 190,000	$ 71,838	$ 376,409	$ 77,406	$ 299,003

The annual requirements to amortize all outstanding debt as of September 30, 2024 including interest payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	77,406	19,748	97,154
2026	81,375	15,779	97,154
2027	85,552	11,602	97,154
2028	89,491	7,204	96,695
2029	42,585	2,581	45,166
Total	$ 376,409	$ 56,914	$ 433,323

NOTE 8 Pension Plan

In accordance with GASB 68, Accounting and Financial Reporting for Pensions, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the year ended June 30, 2024. All amounts are as of June 30, 2024 unless otherwise noted.

Plan Description

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

NOTE 8 Pension Plan (Continued)

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. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of September 30, 2024 it was 7.18% (10.83%). The employer contribution rate is set by the Retirement Board and was 11.96% (14.65%) of covered compensation. South Latah Highway District's employer contributions required and paid were $47,749 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, the District reported a liability of $311,737 for its proportionate the net pension (asset) liability as of June 30, 2024. The net pension (asset) liability was measured as of June 30, 2024, and the total pension (asset) liability used to calculate the net pension (asset)

NOTE 8 Pension Plan (Continued)

liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension (asset) 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 0.00833378%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ended June 30, 2024 was calculated at $89,655.

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	49,631	-
Changes in assumptions or other inputs	12,349	-
Change in proportionate share	4,079	9,146
Net difference between projected and actual earning on pension plan investments	5,659	-
Employer contributions subsequent to the measurement date	12,525	-
Total	$84,243	$9,146

$12,525 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ending September 30, 2025.

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:

For the Year Ending June 30:	Amount to be Recognized
2025	15,386
2026	58,124
2027	(10,023)
2028	(7,165)
2029	6,250

NOTE 8 Pension Plan (Continued)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost of living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

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%. 5% of Fire and Police active member deaths are assumed to be duty related. This Assumption was adopted July1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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. 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 PERSI'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.

NOTE 8 Pension Plan (Continued)

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

Discount Rate

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

Sensitivity of the Employer's proportionate share of the net pension (asset) liability to changes in the discount rate.

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$592,398	$311,737	$82,509

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.

NOTE 8 Pension Plan (Continued)

Payables to the pension plan

At September 30, 2024, the District reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH LATAH HIGHWAY DISTRICT
GENESEE, IDAHO

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Final to Actual
REVENUES					
Taxes	423,311	423,311	442,162	18,851	18,851
Intergovernmental	1,746,248	1,746,248	1,768,436	22,188	22,188
Grant income	-	-	30,500	30,500	30,500
Miscellaneous income	-	-	17,910	17,910	17,910
Interest earnings	29,295	29,295	75,740	JDAlign2024$6	46,445
TOTAL REVENUES	2,198,854	2,198,854	2,334,748	89,449	135,894
EXPENDITURES					
Administration:					
Commissioners' expense	-	-	9,182	(9,182)	(9,182)
Dues and subscriptions	-	-	1,839	(1,839)	(1,839)
Insurance	38,000	38,000	19,898	18,102	18,102
Mileage	-	-	7,530	(7,530)	(7,530)
Miscellaneous	750	750	1,458	(708)	(708)
Office supplies	9,000	9,000	2,811	6,189	6,189
Professional services	25,000	25,000	57,672	(32,672)	(32,672)
Telephone	25,000	25,000	5,077	19,923	19,923
Total administration	97,750	97,750	105,467	(7,717)	(7,717)
Road maintenance:					
Salaries, taxes and benefits	610,794	610,794	601,433	9,361	9,361
Seal coating, rock and oiling	2,066,176	2,066,176	921,187	1,144,989	1,144,989
Sign expense	-	-	4,249	(4,249)	(4,249)
Supplies	15,000	15,000	3,896	11,104	11,104
Weed spray	14,000	14,000	8,678	5,322	5,322
Total road maintenance	2,705,970	2,705,970	1,539,443	1,166,527	1,166,527
Equipment maintenance:					
Equipment rental	110,000	110,000	1,600	108,400	108,400
Fuel and lubricants	150,000	150,000	86,859	63,141	63,141
Repairs and supplies	125,000	125,000	82,210	42,790	42,790
Total equipment maintenance	385,000	385,000	170,669	214,331	214,331
Operation of plant:					
Utilities	-	-	18,887	(18,887)	(18,887)
Building maintenance	15,000	15,000	1,696	13,304	13,304
Tools and supplies	-	-	8,795	(8,795)	(8,795)
Total operation of plant	15,000	15,000	29,378	(14,378)	(14,378)
Debt service:					
Principal	-	-	71,838	(71,838)	(71,838)
Interest	-	-	9,594	(9,594)	(9,594)
Total debt service	-	-	81,432	(81,432)	(81,432)
Capital outlay	-	-	529,172	(529,172)	(529,172)
Contingency	2,500	2,500	-	2,500	2,500
TOTAL EXPENDITURES	3,206,220	3,206,220	2,455,561	750,659	750,659
Excess (deficiency) of revenue over (under) expenditures	(1,007,366)	(1,007,366)	(120,813)	840,108	886,553
Other financing sources (uses)					
Proceeds from long term financing	-	-	190,000	190,000	190,000
Proceeds from sale of capital asset	-	-	103,400	103,400	103,400
Total other financing sources (uses)	-	-	293,400	293,400	293,400
Net change in fund balance	$ (1,007,366)	$ (1,007,366)	172,587	$ 1,133,508	$ 1,179,953
Fund balance - beginning			1,860,966		
Fund balance - ending			$ 2,033,553		

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

Schedule of the District's Share of Net Pension (Asset) Liability
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.00833378%	0.00873131%	0.0083526%	0.0085014%	0.0087483%	0.0090086%	0.0091876%	0.0098885%	0.0093649%	0.0098181%
Employer's proportionate share of the net pension (asset) liability	311,737	348,438	328,989	(6,714)	203,147	102,831	135,519	155,430	189,841	129,288
Employer's covered employee payroll	408,408	371,248	329,380	317,261	311,516	305,972	295,601	307,129	273,896	274,421
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	76.33%	93.86%	99.88%	-2.12%	65.21%	33.61%	45.85%	50.61%	69.31%	47.11%
Plan fiduciary net position as a percentage of the total	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

JDAlign2024$6

Schedule of the District's Contributions
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	45,660	44,327	39,328	37,881	37,195	34,636	33,462	34,767	31,005	31,064
Contributions in relation to the statutorily required contribution	(45,660)	(44,327)	(39,328)	(37,881)	(37,195)	(34,636)	(33,462)	(34,767)	(31,005)	(31,064)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll	408,408	371,248	329,380	317,261	311,516	305,972	295,601	307,129	273,896	274,421
Contributions as a percentage of covered employee payroll	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

Data is reported is measured as of June 30, 2024.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2024 (most recently issued PERSI information)

Change of Assumptions. There were no Change of Assumptions as of June 30, 2024.