TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2024

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Statement of Net Position	4 - 5
Statement of Activities	6 - 7
Balance Sheet	8
Statement of Revenues, Expenditures and Changes in Fund Balance	9
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	10
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	11
Notes to Basic Financial Statements	12 - 30
Required Supplementary Information	31
Budgetary Comparison Schedule - General Fund	32
Schedule of Employer's Share of Net Pension Liability	33
Schedule of Employer's Contributions	33
Notes to Required Supplementary Information	34 - 35
Report on Compliance and Internal Control	36 - 37
Schedule of Findings and Responses	38

R. MICHAEL BURR
Certified Public Accountant
P.O. Box 2229 (208) 736-8747
Twin Falls, ID 83303-2229

INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Commissioners December 5, 2024
Twin Falls Highway District
Twin Falls, Idaho 83301

Report on the Audit of the Financial Statements
Opinions

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Twin Falls Highway District as of September 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Twin Falls Highway District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the Twin Falls 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

My 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 my 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*, I:

- 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 Twin Falls 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Twin Falls Highway District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer's contribution, as listed in the table of contents 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated December 5, 2024, on my consideration of the Twin Falls Highway District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Twin Falls 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 Standards* in considering Twin Falls Highway District's internal control over financial reporting and compliance

R. Michael Burr

R. Michael Burr
Certified Public Accountant

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 309,843	
Investments	17,420,253	
Net Receivables	1,184,521	
Inventory	3,989,748	
TOTAL CURRENT ASSETS		$ 22,904,365
NONCURRENT ASSETS		
Long-Term Receivables	$ 127,854	
Capital Assets (non-depreciated)	1,286,864	
Capital Assets (net)	31,928,745	
TOTAL NONCURRENT ASSETS		33,343,463
TOTAL ASSETS		56,247,828
DEFERRED OUTFLOWS OF RESOURCES		
Pension Obligations	$ 434,373	
TOTAL DEFERRED OUTFLOWS OF RESOURCES		434,373
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 363,607	
Deposits Payable	38,250	
Salaries and Benefits Payable	122,766	
TOTAL CURRENT LIABILITIES		524,623
NONCURRENT LIABILITIES		
Net Pension Liability	$ 1,976,733	
Compensated Absences Payable	412,380	
TOTAL NONCURRENT LIABILITIES		2,389,113
TOTAL LIABILITIES		2,913,736
DEFERRED INFLOWS OF RESOURCES		
Pension Sources	$ 0	
TOTAL DEFERRED INFLOWS OF RESOURCES		0

See accompanying notes to the basic financial statements

	Governmental Activities	
NET POSITION		
Invested in Capital Assets	$ 33,215,609	
Restricted for:		
State Programs	281,929	
Non-spendable:		
Inventory	3,989,748	
Unrestricted	16,281,179	
TOTAL NET POSITION		$ 53,768,465

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Primary Government Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Expense	$ 2,507,067	$ 22,950		
Road Construction	89,461			
Road Maintenance	5,924,283		$ 1,053,678	
Bridge Construction	0			
Bridge Maintenance	77,546			
Equipment	1,028,250			
Plant	222,673			
Urban Renewal	377,955			
50% to Cities	1,637,408			
Total Governmental Activities	11,864,643	22,950	1,053,678	$ 0
Business-Type Activities				
None				
Total Business-Type Activities	0	0	0	0
Total Primary Government	$ 11,864,643	$ 22,950	$ 1,053,678	$ 0

General Revenue
- Property Taxes
- Wind Energy Apportionment
- Inventory Phaseout Tax
- Highway User Revenue
- Other State Support
- Federal Forest
- Earnings on Investments
- Gain (Loss) on Sale of Assets
- Contributed Assets
- Other Revenue

Total General Revenue

Changes in Net Position

Net Position - Beginning

Net Position - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (2,484,117)		$ (2,484,117)
(89,461)		(89,461)
(4,870,605)		(4,870,605)
0		0
(77,546)		(77,546)
(1,028,250)		(1,028,250)
(222,673)		(222,673)
(377,955)		(377,955)
(1,637,408)		(1,637,408)
(10,788,015)		(10,788,015)
0	$ 0	0
(10,788,015)	0	(10,788,015)
6,970,984		6,970,984
169,144		169,144
505,112		505,112
8,044,939		8,044,939
82,658		82,658
36,384		36,384
929,912		929,912
213,500		213,500
967,253		967,253
11,917		11,917
17,931,803	0	17,931,803
7,143,788	0	7,143,788
46,624,677	0	46,624,677
$ 53,768,465	$ 0	$ 53,768,465

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

		General Fund
ASSETS		
Cash and Cash Equivalents		$ 309,843
Investments		17,420,253
Property Taxes Receivable		148,684
Due From Other Governments		1,163,691
TOTAL ASSETS		$ 19,042,471
LIABILITIES		
Accounts Payable		$ 363,607
Deposits Payable		38,250
Payroll and Benefits Payable		122,766
TOTAL LIABILITIES		524,623
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows from Property Taxes		127,854
TOTAL DEFERRED INFLOWS OF RESOURCES		127,854
FUND BALANCES		
Restricted - HB312 Highway User Revenue	$ 281,929	
Committed - Bridge Projects	6,000,000	
Assigned - Property and Plant Projects	2,026,749	
Unassigned	10,081,316	
TOTAL FUND BALANCES		18,389,994
TOTAL LIABILITIES ,DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		$ 19,042,471

See accompanying notes to the basic financial statements

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund
REVENUES	
Property Taxes	$ 6,969,191
Inventory Phaseout Tax	505,112
Property Tax Replacement Revenue	82,658
State Highway User Revenue	9,098,617
Federal Grants and Revenue	36,384
Wind Energy Apportionment	169,144
Fees and Permits	20,750
Other Revenue	14,117
TOTAL REVENUES	16,895,973
EXPENDITURES	
General Expense	2,160,084
Road Construction	3,304,949
Road Maintenance	4,359,139
Bridge Construction	816,108
Bridge Maintenance	77,546
Equipment	1,982,026
Plant	147,859
Urban Renewal	377,955
50% to Cities	1,637,408
TOTAL EXPENDITURES	14,863,074
EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,032,899
OTHER FINANCING SOURCES (USES)	
Sale of Personal Property	239,500
Earnings on Investments	929,912
TOTAL OTHER FINANCING SOURCES (USES)	1,169,412
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	3,202,311
FUND BALANCE - BEGINNING	15,187,683
FUND BALANCE - ENDING	$ 18,389,994

See accompanying notes to the basic financial statements

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2024

Total Governmental Fund Balances		$ 18,389,994
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, $1,286,864 non-depreciable assets and $46,041,196 of depreciable assets net of accumulated depreciation of $14,112,451.	$ 33,215,609	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	127,854	
Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements.	3,989,748	
Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:		
-Deferred Outflows Pension Obligations	434,373	
-Deferred Inflows Pension Sources	0	
-Net Pension Asset (Liability)	(1,976,733)	
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences	(412,380)	
Net Changes		35,378,471
Net Position of Governmental Activities		$ 53,768,465

See accompanying notes to the basic financial statements

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Governmental Fund Balances		$ 3,202,311
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
- Depreciation	$ (1,352,542)	
- Capital Expenditures	4,985,372	
In the fund financial statements, compensated absences are reported when paid, while in the Statement of Activities, compensated absences are reported when earned.	(3,500)	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,793	
In the fund financial statements, contributions of capital assets are not treated as revenue.	967,253	
Sale of fixed assets are reported at gross sales price in fund accounting but reported at net gain in the Statement of Activities.	(26,000)	
Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	(282,057)	
Supplies are expended in fund accounting when purchased but are expensed in the Statement of Activities when actually used.	(348,842)	
Net Changes		3,941,477
Change in Net Position of Governmental Activities		$ 7,143,788

See accompanying notes to the basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Twin Falls Highway District are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended September 30, 2024.

The District is a local highway district which maintains and constructs roads and bridges, as needed, within the Districts boundaries. The District is governed by an elected Board of Commissioners which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance road and bridge system operations and construction. All operations controlled by the Board are included within these financial statements.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

B - REPORTING ENTITY

These financial statements present the District (the primary government) and any component units of the District. As defined by GASB No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on this definition, the District has no component units.

The District was established September 6, 1918 under the appointment of the Governor of the State of Idaho. In 1985, under Idaho Code 40-1301, *Districts as now organized validated,* all highway districts as now organized and constituted are hereby validated and shall continue as public corporations. Title 40 of Idaho statutes dictates the laws that the District must operate under. The District is governed by an elected Board of Commissioners.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's federal grants, state grants, debt service, capital projects, plant facilities, and general administrative services are classified as governmental activities. The District has no services classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Neither fiduciary funds nor component units that are fiduciary in nature are included in the Statement of Net Positions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (local revenue, education foundation support, grants, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instruction, support, administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs. All interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. *GASBS No. 34* sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District can electively add funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for all financial resources restricted, committed or assigned for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The District has no enterprise funds.

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The District has no agency funds.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

1. Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits of the District.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as “due to/from other funds.” Short-term interfund loans are reported as “interfund receivable/payable .” Long-term interfund loans (noncurrent portion) are reported as “advances to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the District and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the District uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The District does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are decreases in net assets that relate to future periods and are reported in a separate section of its government-wide and governmental funds financial statements. Deferred outflows of resources from pension obligations affect the government-wide statements and no deferred outflows effect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

Deferred inflows of resources reflects an increase in net assets that applies to a future period(s) and is because the District will not recognize the related revenues until a future event occurs. The District's governmental funds report a separate section for deferred inflows of resources and has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes are reported in the governmental funds balance sheet. The deferred outflows of resources reported in its government-wide financial statements is a deferred amount arising from pension sources.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the District has maintained a $500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the District's financial statements and the District has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description	Life	Capitalization Amount
Automobiles	5 - 15	$5,000
Office and Light-weight Equipment	5 - 15	$5,000
Heavy Equipment	7 - 20	$10,000
Buildings and Improvements	40	$15,000
Infrastructure	50	$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue and carryover up to 400 hours vacation pay and 600 hours sick leave. At termination of service, the employee is paid at their current hourly wage rate for all of the unused vacation pay and fifty percent (50%) of the sick leave.

Due to the carryover policy, the District is subject to a compensated absence liability. This amount is reported in the long-term debt note later in this section.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method. Bond premiums are reported in the deferred inflows of resources section in the statement of net position. Bonds payable are reported net of the applicable bond premium of discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The Board of Commissioners adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

1. At least 28 days prior to its annual meeting, the board of commissioners shall have prepared a budget in a form prescribed by the State of Idaho, and shall have notified the public of the budget hearing.

2. At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of commissioners shall adopt a budget for the ensuing year.

3. The board of commissioners shall publish a summary statement of the budget in the local newspaper.

4. The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Investment in Capital Assets, Net of Related Debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable Fund Balance - 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.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority, the Board of Commissioners.

Assigned Fund Balance - Includes amounts intended to be used by the District for specific purposes 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. The Board delegates, per policy, to the Administrator or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance - Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of Idaho Code Section 67-1210. Under Idaho Code, the District, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At September 30, 2024, the District had a carrying value of cash deposits of $309,843 and a bank balance of $501,567. Based on the above definitions, the District is subject to $251,567 of custodial credit risk.

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was $17,420,253 ($14,995,544 Idaho State Local Government Investment Pool and $2,424,709 State of Idaho Diversified Bond Fund) which approximates market value. The Idaho State Local Government Investment Pool and the State of Idaho Diversified Bond Fund are not rated by any national credit rating agency as to risk.

Investments by the District in the State Treasury Pool are specifically excluded from reporting for custodial credit risk and concentration of credit risk by GASB 40.

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all property located in the District. A revaluation of all property is required to be completed no less than every five years. The net taxable market value for the list of January 1, 2022, upon which the 2022 levy was based was $8,308,363,677.

The tax rates assessed, per $100 of valuation, for the year ended September 30, 2024, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

Type	Rate	Maximum Rate
General	0.069421	0.2000
Tort	0.000925	No Limit

At September 30, 2024, the components of taxes receivable are as follows:

Property Tax year	General Fund
2023	$ 92,019
2022	40,265
2021	14,701
2020	1,502
2019	197
Total	$ 148,684

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the September 30, 2024, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by November 30, 2024, are deferred revenue. The components of deferred revenue are as follows:

Fund	Amount
General Fund	$ 127,854

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount. Also, the above deferred amounts are not included in the government-wide statements.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho Department of Transportation Amounts due from federal and state governments at September 30, 2024, are as follows:

Source - Description	General Fund
State - Highway User Revenue	$ 1,163,691
Total	$ 1,163,691

NOTE 5 - 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 and natural disasters for which the District carries commercial insurance. There have been no reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The District controls risk of loss by having adequate insurance coverage. The type and coverage amount is listed below:

Workers Compensation Insurance	Limited by State Law
General Liability	$ 3,000,000
Boiler and Machinery	100,000,000
Auto	3,000,000
Criminal Acts	500,000
Errors and Omissions	3,000,000
Chemical Spraying	500,000
Real and Personal Property	Replacement Value

The District believes that the above coverage is proper to protect the District from any losses.

NOTE 6 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2024, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements as listed in the table of contents. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 7 - CAPITAL ASSET ACTIVITY

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

	Primary Government - Governmental Activities			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-depreciated assets:				
Mineral Rights	$ 410,057			$ 410,057
Land	876,807			876,807
Construction-in-progress	0			0
Subtotal	1,286,864	$ 0	$ 0	1,286,864
Other capital assets:				
Buildings and Improvements	3,040,349			3,040,349
Infrastructure	26,545,462	4,998,849		31,544,311
Automobiles	677,102			677,102
Heavy Equipment	9,916,028	953,776	169,799	10,700,005
Other Equipment	79,429			79,429
Subtotal	40,258,370	5,952,625	169,799	46,041,196
Less accumulated depreciation for:				
Buildings and Improvements	(1,016,303)	(74,814)		(1,091,117)
Infrastructure	(3,845,148)	(617,701)		(4,462,849)
Automobiles	(461,825)	(58,892)		(520,717)
Heavy Equipment	(7,503,539)	(598,601)	(143,799)	(7,958,341)
Other Equipment	(76,894)	(2,533)		(79,427)
Subtotal	(12,903,709)	(1,352,541)	(143,799)	(14,112,451)
Net Depreciated Assets	27,354,661	4,600,084	26,000	31,928,745
Net Capital Assets	$ 28,641,525	$ 4,600,084	$ 26,000	$ 33,215,609

NOTE 7 - CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to governmental functions as follows:

General Expense	$ 61,425
Road Construction	1,216,302
Plant	74,814
Total	$ 1,352,541

Most assets are used in all aspects of the District's functions; therefore, infrastructure depreciation is recorded in the function area it was created in and all other depreciation is included in the general expenses.

NOTE 8 - RETIREMENT PLAN

Plan Description

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2024 was as follows:

Retirees and beneficiaries currently receiving benefits	56,084
Terminated employees entitled to but not yet receiving benefits	55,054
Active plan members	78,354
Total	189,492

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.

NOTE 8 - RETIREMENT 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 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 Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and school employees, and 72% for police and firefighters. As of June 30, 2024, the employee rate was 6.71% for general employees, 7.62% for school employees, and 9.83% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.18% for general employees, 12.69% for school employees, and 13.26% for police and firefighters. The District's employer contributions required and paid were $298,444, $268,835, and $240,521 for the three years ended September 30, 2024, 2023, and 2022, respectively.

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

At September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was .0528447 percent.

For the year ended September 30, 2024, the District recognized pension expense (revenue) of $568,508. 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	$ 314,714	$ -
Changes in assumptions or other inputs	78,308	-
Net difference between projected and actual earnings on pension plan investments	(35,881)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		-
District contributions subsequent to the measurement date	77,232	-
Total	$ 434,373	$ -

NOTE 8 - RETIREMENT PLAN (Continued)

$77,232 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, 2024.

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, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 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 ended June 30,	
2025	$ 97,564
2026	$ 368,567
2027	$ (63,559)
2028	$ (45,431)
2029	$ -

Actuarial Assumptions

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

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

Inflation	2.30%
Salary Increases	3.05%
Salary Inflation	3.05%
Investment rate of return	6.35%
Cost of Living (COLA) 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 8 - RETIREMENT 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 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 commissioners 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 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.

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Midcap	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%
	100.00%	

NOTE 8 - RETIREMENT PLAN (Continued)

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 3,756,408	$ 1,976,733	$ 523,192

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 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.

NOTE 9 - EARNINGS ON INVESTMENTS

The components of earnings on investments are:

Interest Income	$ 803,411
Unrealized Gain (Loss) on Investments	126,501
Net Income	$ 929,912

Unrealized gain on investments is a result of the fair market value adjustment required by generally accepted accounting principals. Any gains or losses will not be realized unless the investments are fully liquidated by the District and the State of Idaho.

NOTE 10 - RESTRICTED ASSETS ENABLING LEGISLATION

Legislation passed by the District placing restrictions on assets is referred to as enabling legislation. These restrictions are legally enforceable which allows external parties to force the District to follow their own restrictions. None of the District's assets meet this criteria.

NOTE 11 - LONG-TERM LIABILITIES

At September 30, 2024, the District had $412,380 of compensated absences payable. The amount payable for the prior year was $408,880 with $274,869 being paid and $277,969 being accrued. The District has no other debt or long-term liabilities.

NOTE 12 - RESTRICTED ASSETS

Amount shown as restricted assets are restricted to specific uses by the District. $281,929 is restricted highway user revenue to be used in compliance with House Bill 312.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance - Beginning	$ 11,400,323	$ 11,400,323	$ 15,187,683	$ 3,787,360
Resources (Inflows)				
Property Taxes	6,501,691	6,501,691	6,969,191	467,500
Inventory Phaseout Tax	475,000	475,000	505,112	30,112
Property Tax Replacement Revenue	83,897	83,897	82,658	(1,239)
Highway User Revenue	6,800,000	6,800,000	9,098,617	2,298,617
Federal Grants and Revenue	20,000	20,000	36,384	16,384
Wind Energy Apportionment	0	0	169,144	169,144
Investment Revenue	0	0	929,912	929,912
Fees and Permits	0	0	20,750	20,750
Sale of Personal Property	0	0	239,500	239,500
Other Revenue	466,500	466,500	14,117	(452,383)
Total Revenue	14,347,088	14,347,088	18,065,385	3,718,297
Amount Available for Appropriations	25,747,411	25,747,411	33,253,068	7,505,657
Charges to Appropriations (Outflows)				
General Expense	2,762,411	2,762,411	2,160,084	602,327
Road Construction	6,115,000	6,115,000	3,304,949	2,810,051
Road Maintenance	6,880,000	6,880,000	4,359,139	2,520,861
Bridge Construction	2,160,000	2,160,000	816,108	1,343,892
Bridge Maintenance	240,000	240,000	77,546	162,454
Equipment	4,845,000	4,845,000	1,982,026	2,862,974
Plant	295,000	295,000	147,859	147,141
Land	550,000	550,000	0	550,000
Urban Renewal	0	0	377,955	(377,955)
50% to Cities	1,900,000	1,900,000	1,637,408	262,592
Total Charges to Appropriations	25,747,411	25,747,411	14,863,074	10,884,337
Ending Budgetary Fund Balance	$ 0	$ 0	$ 18,389,994	$ 18,389,994

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered-employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0528447%	$ 1,976,733	$ 2,630,548	75.15%	85.54%
2023	0.0523719%	$ 2,089,991	$ 2,284,879	91.47%	83.83%
2022	0.0487547%	$ 1,920,328	$ 2,014,410	95.33%	83.09%
2021	0.0468811%	$ (37,026)	$ 1,754,063	-2.11%	100.36%
2020	0.0479207%	$ 1,112,782	$ 1,738,203	64.02%	88.22%
2019	0.0471514%	$ 538,220	$ 1,620,992	33.20%	93.79%
2018	0.0478499%	$ 705,794	$ 1,542,929	45.74%	91.69%
2017	0.0454010%	$ 713,626	$ 1,468,432	48.60%	90.68%
2016	0.0446197%	$ 904,510	$ 1,312,265	68.93%	87.26%
2015	0.0485507%	$ 639,334	$ 1,344,662	47.55%	91.38%

Data reported is measured as of June 30, 2024

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

Year Ended June 30,	Statutorily required	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 298,444	$ 298,444	$ -	$ 2,630,548	11.35%
2023	$ 265,880	$ 265,880	$ -	$ 2,284,879	11.64%
2022	$ 240,521	$ 240,521	$ -	$ 2,014,410	11.94%
2021	$ 209,433	$ 209,433	$ -	$ 1,754,063	11.94%
2020	$ 207,538	$ 207,538	$ -	$ 1,738,203	11.94%
2019	$ 185,731	$ 185,731	$ -	$ 1,620,992	11.46%
2018	$ 174,660	$ 174,660	$ -	$ 1,542,929	11.32%
2017	$ 166,227	$ 166,227	$ -	$ 1,468,432	11.32%
2016	$ 148,549	$ 148,549	$ -	$ 1,312,265	11.32%
2015	$ 152,149	$ 152,149	$ -	$ 1,344,662	11.32%

Data reported is measured as of September 30, 2024

* 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.

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	General Fund
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 33,253,068
Differences - Budget to GAAP	
For the fund revenue, sale proceeds are not included as revenue, but, as "other financing sources".	(239,500)
For the fund revenue, investment earnings are not included as revenue, but, as "other financing sources".	(929,912)
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(15,187,683)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 16,895,973
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 14,863,074
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$ 14,863,074

NOTE 2 - BUDGET PROCESS

The board of commissioners adopts a budget on a basis consistent with the GAAP. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

NOTE 2 - BUDGET PROCESS (Continued)

The following procedures are followed in establishing the budget for the District:

1) At least 28 days prior to its annual meeting, the board of commissioners shall have prepared a budget in a form prescribed by the state statute, and shall have notified the public of the budget hearing.

2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.

3) The board of commissioners shall publish a summary statement of the budget in the local newspaper.

4) The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

5) The legal budget is adopted at the function level.

NOTE 3 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budget expenditures:

Fund	Actual	Budget	Overage
None	$ 0	$ 0	$ 0

NOTE 4 - PENSION DISCLOSURES

The following information is required to be disclosed as it relates to the pension:

- Changes of benefit terms: None

- Changes in composition of the population covered by the benefit terms: None

- Changes of assumptions: None

R. MICHAEL BURR
Certified Public Accountant
P.O. Box 2229
Twin Falls, ID 83303-2229
(208) 736-8747

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*

Chairman and Board of Commissioners
Twin Falls Highway District
Twin Falls, Idaho 83301

December 5, 2024

I 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, each major fund, and the aggregate remaining fund information of Twin Falls Highway District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Twin Falls Highway District's basic financial statements and have issued my report thereon dated December 5, 2024.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Twin Falls Highway District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Twin Falls Highway District's internal control. Accordingly, I do not express an opinion on the effectiveness of Twin Falls 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified..

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Twin Falls Highway District's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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.

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

TWIN FALLS HIGHWAY DISTRICT
TWIN FALLS, IDAHO
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2024

Current Year

None

Summary Schedule of Prior Audit Findings

None