AMERICAN FALLS-ABERDEEN AREA
GROUND WATER DISTRICT
AUDITED FINANCIAL STATEMENTS
October 31, 2024

AMERICAN FALLS-ABERDEEN AREA GROUND WATER DISTRICT
American Falls, Idaho
TABLE OF CONTENTS

	Page
Independent Auditor's Report	
Financial Statements	
Statement of Net Position	5
Statement of Revenues, Expenses, and Changes in Net Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8-11
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Falls-Aberdeen Ground Water District
American Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the American Falls-Aberdeen Ground Water District, as of and for the year ended October 31, 2024, and the related notes to the financial statements, which collectively comprise the American Falls-Aberdeen Ground Water 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 business-type activities of the American Falls-Aberdeen Ground Water District, as of October 31, 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 the American Falls-Aberdeen Ground Water 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 the American Falls-Aberdeen Ground Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the American Falls-Aberdeen Ground Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the American Falls-Aberdeen Ground Water 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has elected not to present MD&A or budgetary comparison information. The omission of this information does not affect our audit opinion on the financial statements.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of the American Falls-Aberdeen Ground Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the American Falls-Aberdeen Ground Water 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 American Falls-Aberdeen Ground Water District's internal control over financial reporting and compliance.

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC
Burley, Idaho
January 28, 2025

AMERICAN FALLS-ABERDEEN AREA GROUND WATER DISTRICT
STATEMENT OF NET POSITION
at October 31, 2024

	Business-type Activities Enterprise Fund		
	Ground Water	Fish Hatchery	Totals
Assets			
Current Assets:			
Unrestricted cash and cash equivalents	$ 2,333,772	$ 889,598	$ 3,223,370
Assessments receivable	3,499		3,499
Accrued interest receivable		5,438	5,438
Note receivable-Southwest Irrigation District-current		46,125	46,125
Total Current Assets	2,337,271	941,162	3,278,433
Fixed Assets			
Land, water rights, and ARUs	690,025	2,938,079	3,628,104
Depreciable assets	32,878	310,227	343,104
Accumulated depreciation	(32,573)	(115,819)	(148,392)
Total Fixed Assets	690,329	3,132,487	3,822,817
Other Assets:			
Note receivable-Southwest Irrigation District-noncurrent		390,125	390,125
Restricted Cash-Mellon Bank-Bond Agreement		545,310	545,310
Total Other Assets		935,435	935,435
Total Assets	3,027,601	5,009,084	8,036,685
Current Liabilities:			
Accounts payable	396,117		396,117
Accrued interest payable	0	24,721	24,721
Notes payable-current	0		0
Bonds payable-current-net of discount		322,875	322,875
Total Current Liabilities	396,117	347,596	743,714
Long Term Liabilities:			
Notes payable-noncurrent	0		0
Bonds payable-noncurrent-net of discount		2,684,602	2,684,602
Total Long-Term Liabilities	0	2,684,602	2,684,602
Total Liabilities	396,117	3,032,198	3,428,316
Net Position			
Net investment in capital assets	690,329	125,010	815,340
Unrestricted net position	1,941,154	1,306,565	3,247,719
Restricted net position		545,310	545,310
Total Net Position	2,631,483	1,976,886	4,608,369
Total Liabilities and Net Position	$ 3,027,601	$ 5,009,084	$ 8,036,685

See accompanying notes to the financial statements.

AMERICAN FALLS-ABERDEEN AREA GROUND WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For Year Ended 10-31-2024

	Business-type Activities Enterprise Fund		
	Ground Water	Fish Hatchery	Totals
Operating Revenues:			
Water assessments	$ 2,434,937	$	$ 2,434,937
Leases		110,420	110,420
Total Operating Revenues	2,434,937	110,420	2,545,357
Operating Expenses:			
Depreciation	304	10,341	10,644
Director fees and mileage	22,924		22,924
Dues and fees	138,054		138,054
Insurance	2,426		2,426
Measuring expense	56,555		56,555
Mitigation expense	1,999,868		1,999,868
Office expense	19,735		19,735
Other operating expense	1,617	4,708	6,324
Professional fees	206,625		206,625
Rent	7,800		7,800
Wages and benefits	44,306		44,306
Total Operating Expenditures	2,500,213	15,049	2,515,262
Income From Operations	(65,277)	95,372	30,095
Other Revenues and (Expenses)			
Interest income	161,869	62,777	224,646
Interest expense	651	(166,927)	(166,276)
Total Other Revenues and Expenses	162,520	(104,150)	58,370
Net Income (Loss) Before Transfers	97,244	(8,779)	88,465
Transfers In (Out)	(443,327)	443,327	0
Increase in Net Position	(346,083)	434,548	88,465
Beginning Net Position	2,977,567	1,542,337	4,519,904
Ending Net Position	$ 2,631,483	$ 1,976,886	$ 4,608,369

See accompanying notes to the financial statements.

AMERICAN FALLS-ABERDEEN AREA GROUND WATER DISTRICT
STATEMENT OF CASH FLOWS
For Year Ended 10-31-2024

	Business-type Activities Enterprise Fund		
	Ground Water	Fish Hatchery	Totals
Cash Flows From Operating Activities:			
Receipts from assessments to members	$ 2,437,443	$	$ 2,437,443
Rents received		110,420	110,420
Payments for goods and services	(2,108,132)	(4,708)	(2,112,840)
Net Cash Provided by Operating Activities	329,311	105,712	435,024
Cash Flows From Investing Activities:			
Loans repaid by others		43,875	43,875
Interest on cash and cash equivalents	161,869	63,324	225,193
Investment-restricted cash		(26,974)	(26,974)
Net Cash Used by Investing Activities	161,869	80,225	242,094
Cash Flows From Financing Activities:			
Interest paid on long-term debt	328	(169,470)	(169,143)
Issuance of new debt	0	0	0
Repayment of long-term debt	(12,893)	(301,340)	(314,233)
Net Cash Provided by Financing Activities	(12,566)	(470,810)	(483,376)
Cash Flows From Financing Activities			
Transfers to (from) other funds	(443,327)	443,327	0
Net change in cash and cash equivalents	35,287	158,454	193,742
Cash and cash equivalents beginning of the year	2,298,485	731,144	3,029,629
Cash and cash equivalents end of the year	$ 2,333,772	$ 889,598	$ 3,223,370

Reconciliation of Income from Operations to Net Cash Provided by Operating Activities

Cash Flows From Operating Activities:			
Income from operations	$ (65,277)	$ 95,372	$ 30,095
Depreciation	304	10,341	10,644
Adjustments to reconcile net revenue over expenditures provided from operating activities:			
(Increase) Decrease in:			
Accounts receivable	2,506		2,506
(Decrease) Increase in:			
Payroll Liabilities	(947)		(947)
Accounts payable	392,725		392,725
Net Cash Provided by Operating Activities	$ 329,311	$ 105,712	& 435,024

See accompanying notes to the financial statements.

AMERICAN FALLS-ABERDEEN GROUND WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
October 31, 2024

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The American Falls- Aberdeen Area Ground Water District (the District) is a legal ground water district responsible for providing ground water level monitoring within the District and perform mitigation and litigation for members in the District which includes the Southeastern Idaho Snake River Basin. The District was organized in June 1996 pursuant to Idaho Code, Section 42-5203. The District has determined an October 31 year end would improve the measurement used for the District financial activity, so these financial statements reflect this fiscal year end.

The Fish Hatchery (the Hatchery) is a 15% tenant-in-common purchase of the Rim View, Blue Lakes, and Clear Lakes fish facilities. The purchase was made to prevent any further water calls made by the three named fish facilities and to allow the District to enter into agreements with other aquaculture interests to subordinate their potential water call demands. The Clear Lakes fish facility was later transferred to Clear Springs Foods, Inc., subject to a mitigation settlement agreement. The District also incurred mitigation expense related to expenses for the Hagerman settlement.

For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. Based upon the application of these criteria, the District has no potential component units.

Measurement Focus, Basis of Accounting and Basis of Presentation. The District's activities are similar to those found in the private sector where determination of net income is necessary or useful for sound financial administration and therefore, the District is considered to be a proprietary governmental unit.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. The economic resources measurement focus means all assets and liabilities (whether current or non- current) are included on the statement of net position and the operating statement presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assessments. Assessments are assessed prior to December 1 of each year based on cubic feet per second (cfs) per ground water right. Assessments attach as an enforceable lien as of July 1 following the assessment in November. Therefore, no amount has been set aside for an allowance for doubtful accounts.

Cash and Cash Equivalents. The District considers all investments with a maturity of three months or less to be cash equivalents. The checking account and certificates of deposit are reported as cash and cash equivalents in these financial statements.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has no investments or other assets subject to fair value measurements.

Capital Assets and Infrastructure. Capital assets and infrastructure, which include property and equipment, are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful life of the asset, which is five to fifteen years for assets of the District. Depreciation of fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net position. When an asset is disposed of, cost and related accumulated depreciation are removed from the Districts financial statements, and any gain and loss arising from the asset's disposal is credited or charged to operations. Capital assets are defined by the District as assets with an initial, individual cost of more than $1,000 and an initial useful life of one year or greater. The cost of normal maintenance and repairs that do not add to the value of the asset or materiality extend the asset’s life are not capitalized.

Equipment and infrastructure assets are depreciated using the straight-line depreciation method over the following estimated useful lives:

Assets	Years
Equipment	5-15
Infrastructure	30-50

Budgets. The District adopts a budget at the annual meeting. The budget is prepared on a basis generally consistent with generally accepted accounting principles, except those expenses for capital acquisitions are budgeted. The reported operating expense amounts exclude actual capital acquisitions since they are capitalized and depreciated. The District is not required to present the budget and has elected not to in these financial statements as the funds are proprietary.

Tax Exempt State. The District is a municipal corporation and, therefore, is not liable for federal and state income taxes pursuant to Internal Revenue Code 501 (c)(l).

Deferred Outflows / Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no deferred outflows or inflows in the current year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

NOTE B: LEASE ARRANGEMENTS

The District leases office space under a one-year non-cancellable lease agreement in American Falls, Idaho, with monthly rental payments of $650 through May 1, 2025.

NOTE C: RESTRICTED CASH

Restricted cash consists of amounts to be used for bond requirements. The bond requires restricted cash to be held by a third-party financial institution. Restricted assets are used first when restrictions are met.

The bond required an upfront reserve to be held in the amount of $471,234. These funds have been placed in the Bank of New York-Mellon under the Idaho Water Resource Board to cover any delinquent payments. The account is interest bearing at a variable rate. If the reserve fund is used to cover a delinquent payment, the District is responsible to replenish the reserve account. When the bonds have been fulfilled, the reserve funds will be returned to the District. The balance on October 31, 2024, was $545,310.

NOTE D: NET POSITION

Net position is comprised of the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is generally classified into three components: Net investment in capital assets represents net position in the form of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position consists of all other net assets not included in the above categories.

NOTE E: RECEIVABLES

Assessment Receivables. No allowance for uncollectible accounts is provided for in these financial statements since the District has the authority to place a lien on real estate related to the ground water rights.

Note Receivable. In prior years, the District sold 2.5% of their ownership in the Hatchery to the Southwest Irrigation District. The amount sold totaled $847,250. The balance on October 31, 2024, is $436,250. This amount is being collected over a 20-year period with a variable rate of interest.

NOTE F: CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Depreciation has been provided over the estimated useful lives using the straight-line method. The provision for depreciation totaled $10,644 for the year ended October 31, 2024, of which $303 is charged to the operating fund and $10,341 is charged to the fish hatchery fund.

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Water Rights	3,128,104	-	-	3,128,104
ARUs	500,000	-	-	500,000
Infrastructure	310,227	-	-	310,227
Equipment	32,878	-	-	32,878
Accumulated Depreciation	(137,747)	(10,644)	-	(148,392)
Book Value	3,833,461	(10,644)	-	3,822,817

NOTE G: DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial credit risk due to being uninsured and uncollateralized. As of October 31, 2024, $2,139,193 of the District's deposits were exposed to custodial credit risk because they were uninsured and uncollateralized. Of the deposits, $1,331,514 was funds held in the State Treasurer's Investment Pool which is not insured or guaranteed by the FDIC.

Interest rate risk - The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

At year end, the District held the following investments which are included with cash due to being short term:

Investment Type	Net Asset Value	Weighted Average Maturity
Idaho State Local Government Investment Pool	$ 1,331,514	158 Days

The District's bank balance was $3,177,123 at October 31, 2024.

Amounts held by the Idaho State Investment Pool were held in the following investments: government agency notes, corporate bonds, Idaho bank deposits, commercial paper, U.S. treasury notes, commercial mortgages, repurchase agreements, and purchased accrued interest. All investments for the LGIP are collateralized with securities held by the pool's agent in the pool's name. The investments held by the pools are carried at fair value (determined by the Idaho State Treasurer's Office). Information necessary to determine the level of collateralization for the pool was unavailable.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the District voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name.

Credit Risk: The District's policy is to comply with Idaho State statutes which authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligation of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool and Diversified Bond Fund.

NOTE H: CONTINGENT LIABILITY

The District issued Idaho Water Resource Revenue Bonds jointly with three other water districts on February 12, 2012. The Districts share of the bond liability is shown on the financial statements. However, the District is contingently liable for the entire amount of the bond obligation. The total amount owed by the four water districts at October 31, 2024 is $17,450,000. This obligation is secured by a lien on the revenues of the four water districts.

Southwest Irrigation District purchased 2.5% of the Hatchery from the District after the purchase of the Hatchery was finalized. The District is still responsible for the 2.5% of bond debt on the portion sold. If Southwest Irrigation District defaults on their note receivable to the District, the District is still responsible for the bond payments to Bank of New York-Mellon. At year end the balance was $3,053,750. This amount is recognized as long-term debt in the financial statements.

NOTE I: LONG-TERM DEBT

The District had an agreement with the State of Idaho to repay all moneys borrowed for farmer incentives to decrease water usage. The principal includes interest earned during allocation of incentive. The note is a 4% interest rate and requires 15 annual payments of interest and principal of $13,409. The amount owed at year end totaled $0.

During 2012, the District executed a joint powers agreement for a 17.5% tenant-in-interest with the North Snake GWD, Magic Valley GWD, Jefferson Clark GWD, and Bingham GWD. The tenant-in-interest was formed to purchase additional water rights and other assets. The purchase was made using two water rights mitigation revenue bonds, Series 2012A and Series 2012B. The bonds have a face value of$17,960,000 and $15,930,000, respectively. The Series 2012A Bond has a maturity date of September 1, 2032. The first 11 years require biannual payments of $434,991 of interest only at 5%. The first payment on principal begins September 1, 2024, in which interest and principal are paid. The District maintains a reserve at Bank of New York equal to one payment. The District's portion of the reserve is $545,310 at October 31, 2024.

Interest rates are carried between 4.60% and 5.00%. The Series 2012B has a maturity date of September 1, 2024. Payments are made on principal and interest, with interest rates ranging from 4.00% to 5.25%. The 17.5% face value of the bond assigned to the District initially was $5,930,750, with a discount of $115,693.

The debt service requirements for the District's bonds are as follows:

	Face Value		
Fiscal Year Ending October 31,	Principal	Interest	Total
2025	322,875	148,142	471,017
2026	337,750	132,805	470,555
2027	353,500	116,762	470,262
2028-2031	1,591,625	291,820	1,883,445
2032	448,000	22,400	470,400
Total	3,053,750	711,929	3,765,679

The following is a summary of the long-term debt transactions:

	Beginning Balance	Additions or Amortization	Payments	Ending Balance	Current Portion
CREP SIP Loan	12,893	-	(12,893)	-	-
Bonds Payable	3,360,875	-	(307,125)	3,053,750	322,875
Discount	(52,058)	5,785	-	(46,273)	(5,785)
Total	3,321,710	5,785	(320,018)	3,007,477	317,090

NOTE J: TRANSFERS

The District transferred money from the Ground Water to the Fish Hatchery during the fiscal year to allocate the receipts of assessments and other deposits related to the Fish Hatchery.

	Transfers Out	Transfers In
Fish Hatchery	-	443,327
Ground Water District	443,327	-

NOTE K: LITIGATION, CONTINGENT LIABILITIES, AND COMMITMENTS

The District is also committed to provide its proportional share of water to the Surface Water Coalition. According to the agreement, the District will have to reduce ground water diversion by its share of 240,000 acre-feet annually and provide its share of 50,000 acre-feet of storage water to the Surface Water Coalition each year.

Ground water users are also limited to irrigating between April 1 and October 31 each year. The District members also were required to complete installation of measurement devices by the beginning of the 2018 irrigation season. The District executed an agreement with Power County to lease 6,153.8-acre feet of water for 2018 and 2019. The amount paid will be reduced if the County is unable to make the entire amount of water available. The agreement will renew automatically for successive one-year terms at $250,000 per year unless either party provides 30-day notice prior to the end of the term. The District has right of first refusal if Power County elects to sell or lease after this agreement has terminated. This was renewed for 2023.

NOTE M: SUBSEQUENT EVENTS

Management evaluated subsequent events through January 28, 2024, the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the District, that are required to be disclosed.

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*

To the Board of Directors
American Falls-Aberdeen Ground Water District
American Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of American Falls-Aberdeen Ground Water District, as of and for the year ended October 31, 2024, and the related notes to the financial statements, which collectively comprise American Falls-Aberdeen GWD's basic financial statements, and have issued our report thereon dated January 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered American Falls-Aberdeen Ground Water 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 American Falls-Aberdeen GWD's internal control. Accordingly, we do not express an opinion on the effectiveness of American Falls-Aberdeen GWD's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether American Falls-Aberdeen GWD'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.

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC

Burley, Idaho
January 28, 2025