Burley Irrigation District
Financial Statements
October 31, 2024

BURLEY IRRIGATION DISTRICT

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ARRITT ROBINS WATERS

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Burley Irrigation District Irrigation District

Opinion

We have audited the accompanying financial statements of Burley Irrigation District, as of and for the years ended October 31, 2024, and 2023, and the related notes to the 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 financial position of the district, as of October 31, 2024, and 2023. and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 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 opinion.

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 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 opinion. 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.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Schedule of Employer's Share of Net Pension Liability 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis 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. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the 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 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 district's internal control over financial reporting and compliance.

December 2, 2024

Arritt Robins Waters CPAs PLLC

Arritt Robins Waters CPAs PLLC

Burley Irrigation District
Balance Sheets
As of October 31, 2024 and 2023

Assets and Deferred Outflows	October 31 2024	October 31 2023
Current Assets		
Unrestricted Cash and Cash Equivalents	$ 4,929,779	$ 4,416,478
Investments	891,327	851,678
Accounts Receivable - Delinquents	23,462	17,215
SWID and Water District 1 Receivables	103,195	-
Inventory Shop	348,062	345,371
Inventory Pump Station	109,065	109,065
Prepaid Insurance	36,409	64,300
Total Current Assets	6,441,299	5,804,107
Non-Current Assets		
Land	1,132,840	1,132,840
Minidoka Dam Water Rights - Rebuild	5,823,056	5,823,056
Capital Assets Net of Depreciation:		
Vehicles	91,550	72,421
Shop Tools	1,180	1,180
Office Equipment	814	1,129
Pump Equipment	3,156,643	3,178,477
Buildings & Canal Equipment	864,050	873,768
Machinery & Equipment	104,947	168,194
Total Non-Current Assets	11,175,080	11,251,065
Right of Use Asset	69,801	113,702
Total Non-Current Assets	11,244,881	11,364,767
Total Assets	17,686,180	17,168,874
Deferred Outflows of Resources		
Pension Related Items	237,540	433,286
Total Assets and Deferred Outflows of Resources	$ 17,923,720	$ 17,602,160
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts Payable	$ 105,606	$ 211,527
Accrued Compensated Absences	194,823	212,069
2012 Bond Payable - Current	121,069	117,117
2013 Bond Payable - Current	57,986	56,229
Bond Interest Payable	16,669	20,048
Total Current Liabilities	496,153	616,990
Noncurrent Liabilities		
2012 Bond Payable - Long Term	414,357	535,426
2013 Bond Payable - Long Term	262,464	320,450
Lease Liability	69,801	113,702
Net Pension Liability	948,027	1,083,784
Total Noncurrent Liabilities	1,694,649	2,053,362
Total Liabilities	2,190,802	2,670,352
Deferred Inflows of Resources		
Pension Related Items	-	-
Net Position		
Net Investment in Capital Assets	10,302,535	10,201,795
Unrestricted	5,430,383	4,730,013
Total Net Position	15,732,918	14,931,808
Total Liabilities, Deferred Inflows and Net Assets	$ 17,923,720	$ 17,602,160

Burley Irrigation District
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended October 31, 2024 and 2023

	October 31 2024	October 31 2023
Operating Revenues:		
Current O&M Assessments	$ 3,109,839	$ 3,109,705
Less Discounts Allowed	-	(129,076)
Net Assessments	3,109,839	2,980,629
Received from Minidoka Irrigation District	12,646	11,972
Received from Water District 1	173,958	12,056
Excess Water	237	-
Received from Southwest Irrigation District/MVGWD/B&H	2,002,796	1,521,491
Other Operating Income	328,230	53,469
Total Operating Revenue	5,627,706	4,579,617
Operating Expenses		
USBR	975,765	957,120
Wages	1,283,595	1,226,424
Canals & Laterals Chemical Maintenance	574,386	482,116
Insurance	685,810	542,024
Depreciation	139,999	130,082
Machinery & Vehicle Repair	226,525	214,108
Retirement	209,955	246,555
Contract Labor	31,135	52,319
Water Call	69,016	34,187
Transportation Power	135,492	127,994
Payroll Tax	131,755	108,388
Diesel & Gas	94,052	105,295
Water District	45,848	33,266
Attorney & Auditing	81,225	65,566
Directors Fees & Expenses	26,858	28,987
Supplies	93,811	78,675
Power	44,365	19,777
Buildings & Grounds	9,512	14,764
Telephone and Radio	18,871	20,084
Miscellaneous Operating	69,855	11,784
Membership Fees	12,026	9,652
Oil and Grease	22,628	41,642
Staff Expense	27,811	11,941
Public Relation and Education	7,041	4,398
Rent Repairs	18,514	5,745
Total Operating Expenses	5,035,850	4,572,893
Operating Income or (Loss)	591,856	6,724
Non-Operating Revenue (Expense)		
Sell of Surplus Equipment	-	25,000
Interest Earned on Invested Funds	242,232	145,059
Interest Expense	(32,978)	(36,051)
Change in Net Position	801,110	140,732
Net Position - Beginning of Year	14,931,808	14,791,076
Net Position - End of Year	$ 15,732,918	$ 14,931,808

See accompanying notes

Burley Irrigation District
Statements of Cash Flows
For the Fiscal Years Ended October 31, 2024 and 2023

	October 31, 2024	October 31, 2023
Cash Flows From Operating Activities:		
Receipts From Water Users and Others	$ 5,518,264	$ 4,577,888
Payments to Suppliers	(3,696,356)	(2,978,749)
Payments to Employees	(1,240,851)	(1,088,609)
Net Cash Provided By Operating Activities	581,057	510,530
Cash Flows From Capital and Related Financing Activities:		
Purchase of Equipment	(64,013)	-
Sale of Surplus Equipment	-	25,000
Increase in Bond Payable	-	-
Decrease in Bonds	(173,348)	(167,820)
Interest Paid	(32,978)	(36,051)
Net Cash Used by Capital and Related Financing Activities	(270,339)	(178,871)
Cash Flows From Investing Activities:		
Interest on Cash and Investments	242,232	145,059
(Increase) or Decrease in Investments	(39,649)	(28,722)
Net Cash Provided by Investing Activities	202,583	116,337
Net Change in Cash and Cash Equivalents	513,301	447,996
Cash and Cash Equivalents at Beginning of Year	4,416,478	3,968,482
Cash and Cash Equivalents at End of Year	$ 4,929,779	$ 4,416,478
	-	-
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Profit or (Loss)	$ 591,856	$ 6,724
Adjustments:		
Depreciation	139,999	130,082
Decrease (Increase) in: Receivables	(109,442)	(1,729)
Inventory	(2,691)	74,709
Prepaid Insurance	27,891	(12,490)
DOR - Pension Related Items	195,746	208,130
Right of Use Asset	43,901	(113,702)
Increase (Decrease) in: Accounts Payable	(105,921)	178,690
Bond Interest Payable	(3,379)	(3,271)
Compensated Absences	(17,245)	23,768
Net Pension Liability	(135,757)	(88,849)
DIR - Pension Related Items	-	(5,234)
Lease Liability	(43,901)	113,702
Net Cash Provided by Operating Activities	$ 581,057	$ 510,530
	-	-

Note 1: Reporting Entity

The Burley Irrigation District was organized on March 1, 1918 as a quasi municipality under the provision of Chapter 1 of title 43 of the Idaho Code and in compliance with the 1890 U.S. Canal Act, 43 U.S. 945. The District delivers irrigation water to members of the District. A board of directors, elected by land owners of the District, manages the District.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accounting principles of the District conform to accounting principles generally accepted in the United States of America applicable to enterprise funds. Accordingly, the balance sheets and the statements of revenues, expenses and changes in net assets have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, the Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect: the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenue and Expense

The District considers grants from the Bureau of Reclamation for specific projects and the expenses to complete those projects operating revenue and expense.

Accounts Receivable

Accounts receivable represents unpaid water assessments. The District can place a lien on the underlying real estate of delinquent accounts; therefore, the District considers all receivable amounts to be collectable. No allowance for doubtful accounts has been established. A one-time penalty of 2% and a monthly service charge of 1% accrue on all accounts not paid by June.

Inventories

Inventory, which consists of construction materials, parts, and supplies, are valued at the lower of cost or market, based on a first-in-first-out (FIFO) basis.

Restricted Assets

The District did not have any externally restricted assets at October 31, 2024 and 2023. When the District has restricted assets and an expense is incurred for which both restricted and unrestricted net assets are available, it is the District's policy to apply the expense to restricted net assets first.

Capital Assets

Infrastructure, such as, the water delivery system, plants and buildings are recorded at estimated cost when constructed or estimated fair market value at the time they were contributed to the District. Equipment is recorded at cost. Costs that do not significantly extend the value or useful life or do not meet the following capitalization thresholds are expensed as incurred:

Vehicles	$ 10,000
Shop Tools	$ 5,000
Office Equipment	$ 1,000
Pump Equipment	$ 25,000
Buildings and Canal Equipment	$ 10,000
Machinery and Equipment	$ 10,000

Assets are depreciated on the straight-line method. Depreciations is calculated over the following estimated useful lives:

Vehicles	5 - 10 Years
Shop Tools	5 - 10 Years
Office Equipment	5 - 10 Years
Pump Equipment	10 - 30 Years
Buildings and Canal Equipment	40 - 50 Years
Machinery and Equipment	5 - 10 Years

The District has elected not to retroactively report major infrastructure assets that were not already on the books.

Income Taxes

The District, being a quasi government entity, is not required to pay state and federal income taxes. Therefore, no provision for income taxes is reflected on the accompanying financial statements.

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 3: Cash and Cash Equivalents

Funds are invested in accordance with Idaho code. The district has no investment policy which would limits its investment choices beyond those stated in the Idaho code.

The District considers all financial investments with an original maturity of three months or less cash and cash equivalents. Certificates of deposit are recorded as investments.

The District had the following cash and cash equivalents at October 31,

	2024		2023	
	Yield	Balance	Yield	Balance
Petty Cash		$ 300		$ 300
First Federal Bank	3.60%	2,888,271	3.60%	2,531,529
First Federal Bank		235		
D.L. Evans Bank - Payroll		55,425		953
State Investment Pool	5.00%	1,985,548	5.35%	1,883,696
Total Cash and Cash Equivalents		$ 4,929,779		$ 4,416,478

Note 4: Investments

Investments are comprised of certificates of deposit held at local banks. They are carried at cost plus accrued interest.

The District had the following investments at October 31,

	2024		2023	
	Yield	Balance	Yield	Balance
ICCU CDs	4.71%	$ 434,759	5.00%	$ 415,813
First Federal CDs	4.35%	147,087	4.35%	140,504
D.L. Evans CDs	5.20%	309,481	3.00%	295,361
Total Investments		$ 891,327		$ 851,678

Note 5: Capital Assets

	Balance 10/31/2023	Additions	Deductions	Balance 10-31-24
Capital Assets				
Land	1,132,840	-	-	1,132,840
MD Water Rights - Rebuild	5,823,056	-	-	5,823,056
Vehicles	651,288	64,013	-	715,301
Shop Tools	16,780	-	-	16,780
Office Equipment	5,535	-	-	5,535
Pump Equipment	4,147,711	-	-	4,147,711
Building & Canal Equipment	1,391,225	-	-	1,391,225
Machinery & Equipment	928,924	-	-	928,924
Total Capital Assets	14,097,359	64,013	-	14,161,372
Less Accumulated Depreciation				
Vehicles	(578,868)	(44,883)	-	(623,751)
Shop Tools	(15,600)	-	-	(15,600)
Office Equipment	(4,406)	(315)	-	(4,721)
Pump Equipment	(969,234)	(21,834)	-	(991,068)
Building & Canal Equipment	(517,457)	(9,718)	-	(527,175)
Machinery & Equipment	(760,730)	(63,247)	-	(823,977)
Total Accumulated Depreciation	(2,846,295)	(139,997)	-	(2,986,292)
Capital Assets, Net	11,251,064	(75,984)	-	11,175,080

Note 6: Contingencies and Risks

Interest Rate Risk

Interest Rate Risk is the risk changes in interest rates will adversely affect the fair value of an investment. The district does not have an investment policy that limits investments as a means of managing interest rate risk.

Credit Risk and Concentrations of Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation. Concentrations of credit risk is the risk of loss attributed to the magnitude of the government's investment is a single issuer. The District has deposits at more than one institution but does not have an investment policy that would limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure the District's deposit may not be returned to it. The District does not have a deposit policy for custodial credit risk. The District maintains cash balances at several financial institutions. Accounts at each financial institution, with the exception of the state investment pool, are insured by Federal Deposit Insurance Corporation for up to $ 250,000. As of October 31, 2024 and 2023, $2,882,511 and $2,492,702 respectively were exposed to custodial credit risk. These amounts exceeded the FDIC insured limits. Amounts invested in the state investment pool for October 31, 2024 and 2023 were $1,985,547 and $1,883,696 respectively. Amounts invested in the state investment pool are exposed to custodial credit risk.

Economic Risk

The District's only customers are water users in the area. The District is dependent upon those water users ability to pay their assessments and the availability of water.

Compensated Absences

It is the District's policy to permit employees to accumulate paid time off in accordance with the limits expressed in the District's employee handbook. When an employee leaves employment with the District unused time is paid in a lump sum. Compensated absences represent accrued time.

Water Litigation

The District relies on the availability of water. There are several ongoing developments in many areas affecting water law. The effect of these has not been determined.

Note 7: Budget

The budget is set by the Board. The Board can authorize expenditures over the budget amount.

Note 8: Related Party Transactions

The members of the Board of Directors are also patrons of the District. These individuals are treated the same as any other land owner in the District.

Note 9: Water Rights

The Burley Irrigation District has the following water rights:

Storage rights issued by the State of Idaho and held in trust by the Federal Government for the land owners.

Reservoir	Usable Acre Feet	Priority Date
Lake Walcott	31,892	December 1909
American Falls	155,395	March 1921
Palisades	36,528	July 1939
Palisades	2,672	March 1921
	226,487	

Natural flow rights issued by the State of Idaho are held in trust by the Burley Irrigation District for the owners. Between the years of 1903 and 1932, the District filed claims for a total of 3,156 CFS of natural flow water from the Snake River. These claims were filed together with the Minidoka Irrigation District (MID). The District is entitled to use up to 38% of this flow. The remaining 62% is used by MID. The District has a right to the water not used by MID up to 1200 CFS. The District also has the right to 100% of 150 CFS from Marsh Creek with a priority of April 1909.

Note 10: 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.

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024, it was 6.71% . The employer contribution rate is set by the Retirement Board and was 11.18% of covered compensation. The District's contributions were $149,966 for the year ended October 31, 2024.

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

At October 31, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 .0253439 percent.

For the year ended October 31, 2024, the District recognized pension expense (revenue) of $209,955. At October 31, 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	$ 150,935	$ -
Changes in assumptions or other inputs	37,556	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
Employer contributions subsequent to measurement date	49,049	-
Total	$ 237,540	$ -

$49,049 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 October 31, 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 End October 31,	
2025	$ 57,223
2026	$ 176,762
2027	$ (30,482)
2028	$ (21,788)

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 2.3 %, salary increases 3.05%, salary inflation 3.05%, investment rate of return 6.35%, cost of living adjustments 1%.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries Males Pub 2010 General Tables, increased 11%.
General Employees and All Beneficiaries Females Pub 2010 General Tables, increased 21%.
Teachers Males Pub 2010 Teacher Tables, increased 12%.
Teachers Females Pub 2010 Teacher Tables, increased 21%.
Fire & Police Males Pub 2010 Safety Tables, increased 21%.
Fire & Police Females Pub 2010 Safety Tables, increased 26%.
Disabled Members Males Pub 2010 Disabled Tables, increased 38%.
Disabled Members Females Pub 2010 Disabled Tables, increased 36%.

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024:

Capital Market Assumptions from Callan 2024

Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

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%)
District's proportional share of net pension liability / (asset)	$ 1,801,546	$ 948,027	$ 250,919

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 October 31, 2024, the District reported payables to the defined pension plan of -0- for legally required employer contributions and -0- for legally required contributions which had been from employee wages not yet remitted.

Note 11: Minidoka Dam Project / Bond / Long Term Debt

The rebuilding of the Minidoka Dam spillway took place between 2011 and 2015. The District was responsible for approximately $ 5,823,056 of the cost to rebuild the spillway. Part of the cost of the rebuild was covered through borrowing.

The District approved two bonds, one at two million and one at one million. During 2012 the District had received the funds from the two million dollar bond (2012 Bond). The 2012 Bond has a 3.375% interest rate and will be repaid over 20 years with yearly payments of $139,140. During 2013, the District received the funds for the one million dollar bond (2013 Bond). The 2013 Bond has a 3.125% interest rate and will be repaid over 20 years with yearly payments of $68,000.

Long-term debt consists of the following at October 31, 2024:

	Interest Rate	Balance 2023	Additions	Deletions	Balance 2024	Current Portion
2012 Bond	3.375%	652,543	0.00	-117,117	535,426	121,069
2013 Bond	3.125%	376,679	0.00	-56,229	320,450	57,986
Totals		1,029,222	0.00	-173,346	855,876	179,055

Principal payments for both bonds are as follows:

	2012 Bond			2013 Bond		
	Principal	Interest	Total	Principal	Interest	Total
2025	121,069	18,071	139,140	57,986	10,014	68,000
2026	125,155	13,985	139,140	59,798	8,202	68,000
2027	129,379	9,761	139,140	61,667	6,333	68,000
2028	133,746	5,394	139,140	63,594	4,406	68,000
2029	26,077	-	26,077	77,405	2,419	79,824
2029-2031	-	-	-	-	-	-
	$ 535,426	$ 47,211	$ 582,637	$ 320,450	$ 31,374	$ 351,824

Note 13: Lease

On May 18, 2023 the district agreed to lease a 2023 Caterpillar 420 Backhoe for 5 years. The lease contains an annual lease payment of $12,813. This lease is shown on the balance sheet as a Right of Use Asset in the amount of $35,728 and Lease Liability of 35,728.

On September 28, 2023 the districted agreed to lease a 2023 Caterpillar 320 Backhoe for 3 years. The lease contains an annual lease payment of $35,351. This lease is shown on the balance sheet as a Right of Use Asset in the amount of 34,074 and Lease Liability of 34,074.

Note 14: Date of Manager's Review

In approving the financial statements, the Association has evaluated events and transactions for potential recognition of disclosure through December 2, 2024, the date the financial statements were available to be issued.

Burley Irrigation District
Required Supplementary Information
As of October 31, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's portion of net the pension liability	0.03040440%	0.03155740%	0.02966800%	0.02936500%	0.03031345%	0.03024250%	0.03047233%	0.02977165%	0.02715794%	0.02534390%
Employer's proportionate share of the net pension liability	$ 400,376	$ 639,717	$ 466,330	$ 433,139	$ 343,977	$ 702,271	$ (24,066)	$ 1,172,633	$ 1,083,784	$ 948,027
Employer's covered-employee payroll	865,445	944,196	925,377	1,122,878	1,041,315	1,119,370	1,146,133	1,181,994	1,233,685	1,283,592
Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll	46.26%	67.75%	50.39%	38.57%	33.03%	62.74%	-2.10%	99.21%	87.85%	73.86%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.40%	83.10%	83.83%	85.54%

Data reported is measured as of June 30, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	96,403	102,103	108,638	107,408	115,859	128,582	135,780	154,457	137,875	149,966
Contributions in relation to the statutorily required contribution	96,403	102,103	108,638	107,408	115,859	128,582	135,780	154,457	137,875	149,966
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered-employee payroll	865,445	944,196	925,377	1,122,878	1,041,315	1,119,370	1,146,133	1,181,994	1,233,685	1,283,592
Contributions as a percentage of covered-employee payroll	11.14%	10.81%	11.74%	9.57%	11.13%	11.49%	11.85%	13.07%	11.18%	11.68%

Data reported is measured as of October 31, 2024

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

Board of Directors
Burley Irrigation District
Burley, 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 Burley Irrigation District (the District), as of and for the year ended October 31, 2024, and the related notes to the financial statements. which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we do not express an opinion on the effectiveness of the district's internal control.

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

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

Report on Compliance and Other Matters

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

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the district's response to the findings identified in our audit and described previously. The district's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 2, 2024