SETTLERS IRRIGATION DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended December 31, 2024

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Independent Auditor's Report

Board of Directors
Settlers Irrigation District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of Settlers Irrigation District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Settlers Irrigation District, as of December 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Settlers Irrigation 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.

Responsibility of Management for the Financial Statements

Settlers Irrigation District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Settlers Irrigation District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility 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 GAAS 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 GAAS 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 Settlers Irrigation 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 the schedule of the District's proportionate share of the net pension liability and schedule of District contributions on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Settlers Irrigation District's basic financial statements. The Combined Schedule of Revenues, Expenses, and Change in Fund Net Position on page 25, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combined Schedule of Revenues, Expenses, and Change in Fund Net Position is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Statement of Revenues, Expenses, and Changes in Fund Net Position are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an on opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
August 12, 2025

Settlers Irrigation District
Statement of Net Position
December 31, 2024

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 668,325
Assessment Receivables, Net	47,334
Accounts Receivables, Net	2,450
Interest Receivable	15,060
Prepaids	15,793
Total Current Assets	748,962
Noncurrent Assets:	
Restricted Assets	
Restricted Cash and Cash Equivalents	3,174,112
Total Restricted Assets	3,174,112
Capital Assets	
Land	10,321
Infrastructure	120,000
Water Rights	363,825
Buildings, Net	332,747
Improvements, Net	280,468
Furniture and Fixtures, Net	5,712
Equipment and Machinery, Net	415,986
Total Capital Assets	1,529,059
Total Assets	5,452,133
Deferred Outflows	
Pension Related Items	135,703
Total Deferred Outflows	135,703
Liabilities	
Current Liabilities:	
Accounts Payable	7,819
Accrued Interest	9,152
Compensated Absences	1,205
Current Portion of Long-Term Debt	88,815
Total Current Liabilities	106,991
Noncurrent Liabilities:	
Notes Payable	144,579
Net Pension Liability	451,992
Total Noncurrent Liabilities	596,571
Total Liabilities	703,562
Deferred Inflows	
Pension Related Items	8,204
Total Deferred Inflows	8,204
Net Position	
Net Investment in Capital Assets	1,295,665
Restricted for:	
Pressurized Irrigation System	3,174,112
Unrestricted	406,293
Total Net Position	$ 4,876,070

The accompanying notes are an integral part of the financial statements.

Settlers Irrigation District
Statement of Revenues, Expenses, and
Changes in Fund Net Position
For the Year Ended December 31, 2024

Operating Revenues	
Assessments	$ 789,068
Pressure Irrigation	183,546
Water Lease	78,000
Miscellaneous	32,824
Total Operating Revenues	1,083,438
Operating Expenses	
Operations and Maintenance	1,278,504
Pressure Irrigation	133,210
Total Operating Expenses	1,411,714
Income From Operations	(328,276)
Non-Operating Revenues (Expenses)	
Earnings on Investments	192,290
Interest on Long-Term Debt	(11,953)
Total Non-Operating Revenues (Expenses)	180,337
Change in Net Position	(147,939)
Net Position - Beginning	5,024,009
Net Position - Ending	$ 4,876,070

The accompanying notes are an integral
part of the financial statements.

Settlers Irrigation District
Statement of Cash Flows
December 31, 2024

Cash Flows From Operating Activities	
Receipts From Customers	$ 1,082,596
Payments to Suppliers for Supplies or Services	(498,730)
Payments to Employees for Services	(735,876)
Other Receipts	32,824
Net Cash Provided (Used) by Operating Activities	(119,186)
Cash Flows From Capital and Related Financing Activities	
Principal Paid on Capital Debt	(98,644)
Interest Paid on Capital Debt	(3,115)
Net Cash Provided (Used) by Capital and Related Financing Activities	(101,759)
Cash Flows From Investing Activities	
Receipts From Investment Earnings	194,176
Net Cash Provided (Used) by Investing Activities	194,176
Net Increase in Cash and Cash Equivalents	(26,769)
Cash and Cash Equivalents, Beginning	3,869,206
Cash and Cash Equivalents, Ending	$ 3,842,437
Displayed As:	
Cash and Cash Equivalents	$ 668,325
Restricted Cash and Cash Equivalents	3,174,112
	$ 3,842,437
Noncash Transactions:	
Equipment Purchased with Debt	$ 258,759

The accompanying notes are an integral part of the financial statements.

Settlers Irrigation District
Statement of Cash Flows (continued)
December 31, 2024

Cash Flows From Operating Activities		
Operating Income (Loss)	$	(328,276)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation		99,475
(Increase) Decrease in Assessments Receivable		31,982
(Increase) Decrease in Deferred Outflows		79,887
Increase (Decrease) in Accounts Payable		1,124
Increase (Decrease) in Compensated Absences		604
Increase (Decrease) in Net Pension Liability		(12,186)
Increase (Decrease) in Deferred Inflows		8,204
Net Cash Provided (Used) from Operating Activities	$	(119,186)

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of Settlers Irrigation District (the District), which has responsibility and control over all activities within the District. Settlers Irrigation District was incorporated in 1884 as Settlers Ditch Company. The District operates under a Board of Directors-Manager form of government and provides the following services as authorized by its charter: irrigation water, canal and drainage maintenance, and general administrative services. Board members are elected by users within the District and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

All activities of the District are accounted for within a proprietary (enterprise) fund. The accompanying principles of the District conform to accounting principles generally accepted in the United States of America applicable to enterprise accounting. The operating revenues and expenses are related to irrigational services for members within the District. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets and Liabilities

Cash Equivalents

The Board requires all cash belonging to the District to be placed in custody of the Secretary/Treasurer. All cash on hand, demand deposits, and investments with an original maturity of three months or less are considered to be cash and cash equivalents. See Note 6.

Investments

The District invests in certificates of deposits with maturities between one and five years. The certificates of deposit are reported at original cost on the financial statements.

Receivables

Uncollected irrigation assessments are shown on the balance sheet as receivables. Assessments are mailed in January of each year. They are due and payable by April 15th and all unpaid accounts become delinquent on June 20th at which time a tax lien is filed on the property. A 2% penalty is added to the unpaid amount and interest begins accruing at 1% per month.

The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience and other current available evidence. As of December 31, 2024 there is no allowance for doubtful accounts, as the district has a tax lien on all delinquent properties.

Capital Assets

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the proprietary funds are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	10 – 75 Years
Machinery and Equipment	$5,000	Straight-Line	10 – 25 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Inventories

Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

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.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits was $122,116 and the respective bank balances totaled $124,653. All of the bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of December 31, 2024, all of the District's deposits were covered by the federal depository insurance or by collateral held by the District's agent or pledging financial institution's trust department or agent in the name of the District, and thus the District is exposed to custodial credit risk. The District also keeps $198 in petty cash on hand. The District does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its exposure to custodial credit risk.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The District voluntarily participates in the State of Idaho Investment Pool and the Diversified Bond Fund, neither of which has been rated. The pool and bond fund are not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool and bond fund is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the District's investment in the pool and bond fund is the same as the value of the pool and bond fund shares.

The District follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the District to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The District's investments at December 31, 2024, are summarized below:

		Maturities	
Investment	Fair Value	Less Than 1	1 - 5 Years
External Investment Pool	$ 3,720,123	$ 3,720,123	$ -
	$ 3,720,123	$ 3,720,123	$ -

At year-end, cash and investments were reported in the basic financial statements in the following categories:

Cash and cash equivalents	$ 71,743
Restricted cash and cash equivalents	50,571
Investments categorized as deposits	596,582
Restricted investments categorized as deposits	3,123,541
	$ 3,842,437

Restricted Cash

Funds received from assessments of the pressurized irrigation system are restricted in their use. These funds must be used for the operation and maintenance of the pressurized system.

3. PENSION PLAN

Plan Description

Settlers Irrigation 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 the 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 for general employees and 74% for Public Safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for Public Safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for Public Safety. Settlers Irrigation District's contributions were $70,603 for the year ended December 31, 2024.

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

At December 31, 2024, Settlers Irrigation District reported an asset for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Settlers Irrigation District's proportion of the net pension liability (asset) 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, Settlers Irrigation District's proportion was 0.0120833 percent.

For the year ended December 31, 2024, Settlers Irrigation District recognized pension expense/(revenue) of $146,509. At December 31, 2024, Settlers Irrigation 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	$ 71,961	$ -
Changes in assumptions or other inputs	17,906	-
Net difference between projected and actual earnings on pension plan investments	-	8,204
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	8,090	-
Settlers Irrigation District's contributions subsequent to the measurement date	37,746	-
Total	$ 135,703	$ 8,204

$37,746 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 December 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:

For the Year Ended December 31:	PERSI
2025	$ 60,055
2026	89,332
2027	(11,500)
2028	(10,388)

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%, net of investment expense
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 including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of 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 Class	
Fixed Income	30%
US/Global Equity	55%
International Equity	15.00%
Cash	0.00%
Total	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%)
Employer's proportionate share of the net pension liability (asset)	$ 858,925	$ 451,992	$ 119,631

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.

4. EMPLOYEE BENEFITS

Paid time off is granted to all regular employees. In the event of termination, an employee is reimbursed for accumulated paid time off. A summary of the current year activity and year-end liability is as follows:

12/31/2023	Increase	Decrease	12/31/2024	Current
$ 601	$ 51,391	$ (50,787)	$ 1,205	$ 1,205

5. OTHER COMMITMENTS

The District has credit cards with a total credit limit of $13,400 . As of December 31, 2024, $111 of the credit was in use.

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
Capital Assets Not Being Depreciated:				
Land	$ 10,321	$ -	$ -	$ 10,321
Irrigation System	120,000	-	-	120,000
Water Rights	363,825	-	-	363,825
Total Capital Assets Not Being Depreciated	494,146	-	-	494,146
Capital Assets Being Depreciated:				
Buildings	451,412	-	-	451,412
Improvements	750,881	-	-	750,881
Furniture and Fixtures	20,386	-	-	20,386
Equipment and Machinery	877,025	258,759	(19,872)	1,115,912
Total Capital Assets Being Depreciatied	2,099,704	258,759	(19,872)	2,338,591
Accumulated Depreciation For:				
Buildings	111,732	6,933	-	118,665
Improvements	453,755	16,658	-	470,413
Furniture and Fixtures	13,858	816	-	14,674
Equipment and Machinery	644,730	75,068	(19,872)	699,926
Total Accum. Depr.	1,224,075	99,475	(19,872)	1,303,678
Net Depreciated Asset	875,629	159,284	-	1,034,913
Capital Assets - Net	$ 1,369,775	$ 159,284	$ -	$ 1,529,059

7. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

8. LONG-TERM OBLIGATIONS

In 2006, the District entered into a loan for $390,000 to build a shop. The loan matures in 2026 and carries an interest rate of 5.15%.

In 2024, the District entered into a lease-to-purchase agreement for a John Deere Excavator. The lease matures in 2028 and carries an interest rate of 5.85%.

Changes in long-term obligations for the year ended December 31, 2024, are as follows:

Description	Maturity	Rate	12/31/2023	Increase	Decrease	12/31/2024	Current
Shop Mortgage	2026	5.15%	$ 73,279	$ -	$(28,187)	$ 45,092	$29,673
2024 JD Excavator	2028	5.85%	-	258,759	(70,457)	188,302	59,142
			$ 73,279	$258,759	$(98,644)	$ 233,394	$88,815

Debt service requirements on long-term debt at December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest
2025	$ 88,815	$ 12,980
2026	78,115	7,994
2027	66,463	3,994
2028	1	-
Total	$ 233,394	$ 24,968

Interest expense for the year ended December 31, 2024 was $11,953 . No interest expense was capitalized during the year.

REQUIRED SUPPLEMENTAL INFORMATION

Settlers Irrigation District
Schedule of Required Supplemental Information
Public Employees Retirement System of Idaho
Last 10 - Fiscal Years

Schedule of the District's Proportionate Share of Net Pension Liability

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Employee Payroll	District's Proportionate 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	0.0120833%	$ 451,992	609,496	74.16%	85.54%
2023	0.0116316%	464,178	549,603	84.46%	83.83%
2022	0.0105406%	415,168	457,152	90.82%	83.09%
2021	0.0098709%	(7,796)	386,014	-2.02%	100.36%
2020	0.0086537%	200,950	340,966	58.94%	88.22%
2019	0.0082973%	94,711	287,970	32.89%	93.79%
2018	0.0087429%	128,959	279,985	46.06%	91.69%
2017	0.0085924%	135,058	289,276	46.69%	90.68%
2016	0.0078097%	158,315	233,060	67.93%	87.26%
2015	0.9912900%	130,537	249,492	52.32%	91.38%

Data reported is measured as of June 30, 2024

Schedule of District Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 70,603	$ 70,603	-	$ 609,496	11.58%
2023	63,356	63,356	-	549,603	11.53%
2022	54,584	54,584	-	457,152	11.94%
2021	46,090	46,090	-	386,014	11.94%
2020	40,711	40,711	-	340,966	11.94%
2019	33,536	33,536	-	287,970	11.65%
2018	31,694	31,694	-	279,985	11.32%
2017	32,746	32,746	-	289,276	11.32%
2016	26,382	26,382	-	233,060	11.32%
2015	28,243	28,243	-	249,492	11.32%

Data reported is measured as of December 31, 2024

SUPPLEMENTAL INFORMATION

Settlers Irrigation District
Combined Schedule of Revenues, Expenses, and
Changes in Net Position
For the Year Ended December 31, 2024

	Settlers Irrigation	Pressure Irrigation	Total
Operating Revenues			
Assessments	$ 789,068	$ -	$ 789,068
Pressure Irrigation	-	183,546	183,546
Water Lease	78,000	-	78,000
Miscellaneous	32,627	197	32,824
Total Operating Revenues	899,695	183,743	1,083,438
Operating Expenses			
Operations and Maintenance			
Payroll and Taxes	812,385	-	812,385
Office Expense	29,195	-	29,195
Bureau of Reclamation	95,077	-	95,077
Canal Repair and Maintenance	75,448	-	75,448
Training	535	-	535
Insurance	126,473	-	126,473
Professional Fees	19,839	-	19,839
Utilities	16,119	-	16,119
Shop Expenses	3,958	-	3,958
Depreciation	99,475	-	99,475
Total Operations and Maintenance	1,278,504	-	1,278,504
Pressure Irrigation			
Maintenance and Repairs	-	15,918	15,918
Utilities	-	113,854	113,854
Other	-	3,438	3,438
Total Pressure Irrigation	-	133,210	133,210
Total Operating Expenses	1,278,504	133,210	1,411,714
Income From Operations	(378,809)	50,533	(328,276)
Non-Operating Revenues (Expenses)			
Earnings on Investments	34,547	157,743	192,290
Interest on Long-Term Debt	(11,953)	-	(11,953)
Transfer In	193,788	-	193,788
Transfer Out	-	(193,788)	(193,788)
Total Non-Operating Revenues (Expenses)	216,382	(36,045)	180,337
Change in Net Position	(162,427)	14,488	(147,939)
Net Position - Beginning of Year	1,784,486	3,239,523	5,024,009
Net Position - End of Year	$ 1,622,059	$ 3,254,011	$ 4,876,070

FEDERAL REPORTS

ZWYGART JOHN
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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
Settlers Irrigation District
Boise, 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 Settlers Irrigation District, as of and for the year ended December 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 August 12, 2025.

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 opinion 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 weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
August 12, 2025