CENTRAL SHOSHONE COUNTY WATER DISTRICT

AUDITED FINANCIAL STATEMENTS

Year Ended November 30, 2024

Draft FS 11.25.25

Prepared By

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

CENTRAL SHOSHONE COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
November 30, 2024

ASSETS	
Current assets:	
Cash and cash equivalents	$ 3,861,930
Accounts receivable, net of allowance account of $0	207,816
Grants receivable	93,607
Prepaid insurance	45,787
Total current assets	4,209,140
Noncurrent assets:	
Restricted cash	807,208
Total noncurrent assets	807,208
Capital assets:	
Land	412,908
Plant and equipment, net of accumulated depreciation	24,543,449
Total capital assets	24,956,357
Right-to-use asset, net of accumulated amortization	40,834
Total assets	30,013,539
DEFERRED OUTFLOWS OF RESOURCES - pension plan	80,197
LIABILITIES	
Current liabilities:	
Accounts payable	114,240
Employee insurance payable	5,069
Compensated absences	10,458
Accrued interest	6,937
Current portion of long term debt	553,241
Current portion of lease liabilities	9,384
Total current liabilities	699,329
Long-term liabilities	
Lease liabilities	31,437
USDA loan #1	1,456,203
USDA loan #2	993,111
DEQ loan	2,403,600
DEQ Stimulus loan	3,465,916
Net pension liability	288,149
Total long-term liabilities	8,638,416
Total liabilities	9,337,745
DEFERRED INFLOWS OF RESOURCES - pension plan	19,336
NET POSITION	
Net investment in capital assets	16,084,286
Restricted	807,208
Unrestricted	3,845,161
Total net position	$ 20,736,655

See accompanying notes to the financial statements and independent auditors' report

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CENTRAL SHOSHONE COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended November 30, 2024

OPERATING REVENUES	
Water sales	$ 2,380,947
Hook up fees and miscellaneous fees	188,430
Total operating revenues	2,569,377
OPERATING EXPENSES	
Depreciation	915,042
Salaries and wages	376,066
Pumping costs	353,698
Other direct expense	308,316
Employee benefits	250,559
Professional fees	195,760
Pension expense (income)	74,545
Contract services	70,194
Office and billing expense	64,638
Insurance	43,624
Auto expenses	24,436
Telephone	15,497
Leases	11,196
Amortization	9,319
Other expenses	1,840
Parts and supplies	1,791
Utilities	1,086
Bad debt	45
Total operating expenses	2,717,652
OPERATING INCOME	(148,275)
NON-OPERATING REVENUES (EXPENSES)	
ICRMP refund	9,287
Capital Grants	557,290
Interest income	223,836
Interest expense	(151,576)
Total non-operating revenues (expenses)	638,837
CHANGE IN NET POSITION	490,562
NET POSITION, beginning of year - restated	20,246,093
NET POSITION, end of year	$ 20,736,655

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See accompanying notes to the financial statements and independent auditors' report

CENTRAL SHOSHONE COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended November 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 2,569,518
Payments to suppliers	(1,074,937)
Payments to employees	(598,824)
Net cash provided (used) by operating activities	895,757
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other non-operating revenue	9,287
Decrease in restricted cash	(41,407)
Net cash provided (used) by noncapital financing activities	(32,120)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital acquisitions	(464,648)
Principal paid on lease liabilitites	(9,241)
Principal paid on long-term debt	(543,674)
Interest paid on capital debt	(152,594)
Capital grants	463,683
Net cash provided (used) by capital and related financing activities	(706,474)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	223,836
Net cash provided by investing activities	223,836
NET INCREASE IN CASH AND CASH EQUIVALENTS	380,999
CASH, beginning of year	3,480,931
CASH, end of year	$ 3,861,930
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	$ (148,275)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	915,042
Amortization	9,319
(Increase) decrease in assets:	
Accounts receivable	141
Prepaid insurance	(10,538)
Deferred outflows	65,876
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	102,267
Payroll liabilities	(233)
Compensated absences	(1,745)
Net pension liability	(45,770)
Deferred inflows	11,354
Net cash provided by operating activities	$ 895,757

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See accompanying notes to the financial statements and independent auditors' report

CENTRAL SHOSHONE COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
November 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Central Shoshone County Water District (the "District) was established by qualified voters on April 13, 1973. The District purchased the assets of Idaho Water Company and assumed the water system as of December 29, 1974.

The District's combined financial statements include the accounts of all District operations.

The District of is organized as a governmental entity. The District is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since the public elects the District Board members, who govern the District.

The financial statements of Central Shoshone County Water District, Idaho have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Presentation, Measurement Focus and Basis of Accounting

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise Funds account for activities: (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establishes fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

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. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position. Net position (i.e., total assets and deferred outflows of resources, net of total liabilities and deferred inflows of resources) are segregated into net investment in capital assets; restricted for debt service, and unrestricted components.

The Enterprise funds are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

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. Water Assessments and Hookup Fees generate the principal operating revenues reported by the District.

Draft 6-17-25 RS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resource first, and then unrestricted resources as they are needed.

Assets, Deferred outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents
The District considers cash and cash equivalents to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. It also includes certificates of deposit with a maturity beyond three months as the entity is able to access the funds at any time with minimal penalty.

Receivables
All trade receivables are shown net of an allowance for uncollectible. Allowance for uncollectible for the proprietary funds was $0 as of November 30, 2024.

The District records enterprise fund charges when earned, not when collected.

Prepaid Expenses
Prepaid items consist primarily of prepaid insurance.

Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Capital assets are defined by the District as assets with an initial, individual cost of more than $500 at an estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Because the District is a Phase 3 government (governments with total annual revenues of less than $10 million), the District is encouraged but not required to report major infrastructure assets retroactively prior to October 1, 2003. The District has made the decision to not record infrastructure assets retroactively.

Land, construction in progress and right of ways are not depreciated. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and improvements	10 - 30
Pumps and equipment	5 - 46
Water System	5 - 50
Reservoir and wells	12 - 60
Treatment plant	46

Compensated Absences
District employees are entitled to certain compensated absences based on their length of employment. Both current and long-term compensated absences are treated by the basic concepts set by GASB. Compensated absences are accrued when vested and reported in government funds only if they have matured, for example, as a result of employee resignation and retirement.

Draft FS - 11.15.24

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees eligible for leave include full-time equivalent employees.

It is the District's policy that vacation leave be used in their fiscal year. Unused vacation time cannot be accumulated or carried forward. The only time vacation would be paid out is if an employee leaves in the middle of their fiscal year and has been an employee for at least one year. They would be paid the hours they had accrued in that current year.

The District grants sick pay on an accrual basis, 8 hours per month. Once an employee banks 160 hours of sick time, he/she will be eligible to be paid for any unused sick time at half of the day's wages. This is paid out on November 30th of each year.

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 (expenses/expenditure) until then. The District does have items that qualify for reporting in this category, the amounts relate to the pension base plan.

In addition to liabilities, the statement of net position and balance sheet 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 (revenues) until that time. The District's deferred inflows of resources is associated with the pension base plan and reported in the statement of net position. See *Note 5* for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumptions
Sometimes the government 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 proprietary fund 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.

Capital Contributions
Transmission and distribution system assets contributed to the District by installers are capitalized at the installers' costs, which approximate fair value at the time of the District's acquisition.

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.

Use of Estimates
Management of the District has made certain estimates and assumptions relating to the reporting of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

Draft for 1.29.25

NOTE 2 – CASH AND CASH EQUIVALENTS

State statutes authorize the District's investments. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic banker's acceptances, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial credit risk-deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of November 30, 2024, the District's deposits were exposed to custodial credit risk as follows:

Deposits without exposure to custodial credit risk:	
Amount insured by FDIC or other agencies	$ 250,000
Deposits with exposure to custodial credit risk:	
Amount uninsured	126,092
Amount collateralized with securities held in trust, but not in the District's name	4,283,905
Total bank balance (deposits)	$ 4,659,997

The carrying amount is displayed as follows in the financial statements:	
Statement of net position	
Cash and cash equivalents	$ 3,861,930
Restricted cash	807,208
	$ 4,669,138
Cash and Cash equivalents at November 30, 2024 consist of the following:	
Cash	
Deposits with financial institutions	$ 360,028
Cash equivalents	
State investment pool	4,309,110
	$ 4,669,138

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Investments in 2a7-like pools are valued based upon the value of pool shares. The District invests in one 2a7-like pool, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The State Investment Pool is duly chartered and administered by the State Treasurer's Office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements. The pool does not include any involuntary participants.

The balances that the District has in the State Investment Pool are carried at fair market value and calculated on a monthly basis. The District's portion of the State Investment Pool had an unrealized gain of $7,742 as of November 30, 2024; this unrealized gain has been recorded in the District's books. The unrealized loss was based on a fair market value adjustment factor of 1.0018 that was calculated by the State of Idaho's Treasurer's Office.

GASB Statement No. 40 requires the District to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The District's exposure to credit risk is not available.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended November 30, 2024, was as follows:

	Restated Balance 11/30/2023	Increases	Decreases	Balance 11/30/2024
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 412,908	$ -	$ -	$ 412,908
Construction in progress	39,779	464,648	-	504,427
Total capital assets, not being depreciated	452,687	464,648	-	917,335
Capital assets being depreciated:				
Buildings and improvements	242,728	-	-	242,728
Systems	39,714,211	-	8,799	39,705,412
Machinery and equipment	354,322	-	-	354,322
Total capital assets being depreciated	40,311,261	-	8,799	40,302,462
Less accumulated depreciation for:				
Buildings and improvements	120,482	6,238	-	126,720
Systems	14,888,169	905,573	7,185	15,786,557
Machinery and equipment	346,932	3,231	-	350,163
Total accumulated depreciation	15,355,583	915,042	7,185	16,263,440
Total capital assets being depreciated, net	24,955,678	(915,042)	1,614	24,039,022
Total capital assets, net	$ 25,408,365	$ (450,394)	$ 1,614	$ 24,956,357

Draft FS 11.25.25

NOTE 4 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended November 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due in More Than One Year
DEQ Loan #9928	$ 3,015,884	$ -	$ 302,362	$ 2,713,522	$ 309,922	$ 2,403,600
DEQ ARRA Stimulus Loan #0903	3,854,749	-	193,957	3,660,792	194,876	3,465,916
USDA Loan #1	1,514,687	-	28,917	1,485,770	29,567	1,456,203
USDA Loan #2	1,030,425	-	18,438	1,011,987	18,876	993,111
	$ 9,415,745	$ -	$ 543,674	$ 8,872,071	$ 553,241	$ 8,318,830

2012A Water Revenue Bond – DEQ Loan

During 2012 the District was the recipient of a loan program through the Department of Environmental Quality and the State of Idaho. Repayment terms are 20 years at 2.56% with semi-annual payments.

The District is required to maintain an amount at least equal to the maximum annual debt service on the bonds. The amount required at November 30, 2024 was $377,427; the amount on reserve is $377,427.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

2012A Water Revenue Bond – DEQ Loan (concluded)

Presented below is a summary of debt service requirement to maturity by years:

Year Ending November 30	Principal	Interest	Total
2025	$ 309,922	$ 67,505	$ 377,427
2026	317,906	59,521	377,427
2027	326,097	51,330	377,427
2028	334,373	43,054	377,427
2029	343,113	34,314	377,427
2030-2032	1,082,111	49,735	1,131,846
	$ 2,713,522	$ 305,459	$ 3,018,981

2012B Water Revenue Bond – ARRA Stimulus Loan

During 2012 the District was the recipient of a loan program through the Department of Environmental Quality and the State of Idaho, as a result of the American Recovery and Reinvestment Act. Repayment terms are 30 years at 0.50% with semi-annual payments.

The District is required to maintain an amount at least equal to the maximum annual debt service on the bonds. The amount required at November 30, 2024 was $212,935; the amount on reserve is $212,935.

Presented below is a summary of debt service requirement to maturity by years:

Year Ending November 30	Principal	Interest	Total
2025	$ 194,876	$ 18,059	$ 212,935
2026	195,851	17,084	212,935
2027	196,832	16,103	212,935
2028	197,775	15,160	212,935
2029	198,807	14,128	212,935
2029-2033	1,009,034	55,641	1,064,675
2034-2038	1,034,556	30,119	1,064,675
2039-2042	633,061	5,639	638,700
	$ 3,660,792	$ 171,933	$ 3,832,725

USDA 2016 Water System Distribution Project Phase One Loan

During 2016 the District was the recipient of a loan program through the United States Department of Agriculture for the purpose of funding system improvements. The closing balance of the loan is $1,650,000.

Repayment terms are 40 years with interest accrued at an annual percentage rate of 2.25%. Payments are due annually on November 27 starting in 2019.

Draft as of 1.25.25

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

USDA 2016 Water System Distribution Project Phase One Loan (concluded)

Debt Service Reserve
The District must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. One annual loan payment is $62,997. The amount on reserve at November 30, 2024 is $62,997.

Short-Lived Asset Reserve
The District must establish a short-lived asset reserve fund. The amount that must be deposited annually in this reserve fund is at least $140,797. This reserve is for repairs and/or replacement of major system assets. The District is in compliance with this at November 30, 2024.

Presented below is a summary of debt service requirements to maturity by years:

Year Ending November 30	Principal	Interest	Total
2025	29,567	33,430	62,997
2026	30,232	32,765	62,997
2027	30,913	32,084	62,997
2028	31,608	31,389	62,997
2029	32,319	30,678	62,997
2030-2034	172,838	142,147	314,985
2035-2039	193,175	121,810	314,985
2040-2044	215,910	99,075	314,985
2045-2049	241,317	73,668	314,985
2050-2054	269,714	45,271	314,985
2055-2058	238,177	19,816	257,993
	$ 1,485,770	$ 662,133	$ 2,147,903

USDA 2018 Water System Distribution Project Phase Two Loan

During 2018 the District was the recipient of a loan program through the United States Department of Agriculture for the purpose of funding system improvements. The closing balance of the loan is $1,100,000.

Repayment terms are 40 years with interest accrued at an annual percentage rate of 2.375%. Payments are due annually on October 24th starting in 2020.

Debt Service Reserve
The District must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. One annual loan payment is $42,911. The amount on reserve at November 30, 2024 is $42,911.

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NOTE 4 – LONG-TERM LIABILITIES (CONCLUDED)

USDA 2018 Water System Distribution Project Phase Two Loan (Concluded)

Presented below is a summary of debt service requirements to maturity by years:

Year Ending November 30	Principal	Interest	Total
2025	$ 18,876	$ 24,035.0	$ 42,911
2026	19,325	23,586	42,911
2027	19,784	23,127	42,911
2028	20,253	22,658	42,911
2029	20,253	22,658	42,911
2030-2034	111,297	103,258	214,555
2035-2039	125,156	89,399	214,555
2040-2044	140,742	73,813	214,555
2045-2049	158,267	56,288	214,555
2050-2054	177,977	36,578	214,555
2055-2059	200,057	14,415	214,472
	$ 1,011,987	$ 489,815	$ 1,501,802

Draft as of 2.28.25

NOTE 5 – LONG-TERM LEASES PAYABLE – RIGHT-TO-USE ASSETS

The District entered into an agreement to lease a copier for 60 months, beginning August 17, 2024. Under the terms of the lease, the District pays a monthly fee of $269. The District uses an interest rate of 2% for the asset.

The District entered into an agreement to lease a mail machine for 60 months, beginning December 1, 2023. Under the terms of the lease, the District pays a quarterly fee of $1,724. The District uses an interest rate of 2% for the asset.

At November 30, 2024, the District recognized right-to-use assets of $48,275 and a lease liability of $40,821 related to the right-to-use assets. During the fiscal year, the District recorded $9,319 in amortization expense for the right-to-use assets.

	Balance 11/30/2023	Increases	Decreases	Balance 11/30/2024
Business-type activities:				
Right-to-use assets:				
Office equipment-Bulk Mailer	$ 47,589	$ 15,373	$ 14,687	$ 48,275
Less accumulated amortization for:				
Office equipment	12,809	9,319	14,687	7,441
Total right-to-use assets, net	$ 34,780	$ 6,054	$ -	$ 40,834

NOTE 5 – LONG-TERM LEASES PAYABLE – RIGHT-TO-USE ASSETS (CONCLUDED)

Future payments on the lease agreements are as follows:

Year Ending November 30	Principal	Interest	Total
2025	$ 9,384	$ 741	$ 10,125
2026	9,573	552	10,125
2027	9,766	359	10,125
2028	9,962	163	10,125
2029	2,136	16	2,152
	$ 40,821	$ 1,831	$ 42,652

Draft For Audit

NOTE 6 – DEFINED BENEFIT PENSION PLAN

PERSI BASE PLAN

Plan Description

Central Shoshone County Water 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.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. 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) that are adequate 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 police and firefighters. As of July 1, 2023, through June 30, 2024, the employee rate was 6.71% for general employees and 9.83% for police and firefighters. As of July 1, 2024, the employee rate increased to 7.18% for general employees and increased to 10.83% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters during the period July 1, 2023, through June 30, 2024. As of July 1, 2024, the employer rates for general employees decreased to 11.96% and increased for police and firefighters to 14.65%.

The District's contributions were $43,084 for the year ended November 30, 2024.

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

At November 30, 2024, the District reported a liability (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 was determined by an actuarial valuation as of that date. The 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, the District's proportion was 0.00770318 percent.

For the year ended November 30, 2024, the District recognized pension expense (income) of $74,545. At November 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 45,876	$ -
Changes in assumptions or other inputs	11,415	-
Net difference between projected and actual earnings on pension plan investmen	-	5,230
Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions	5,070	14,106
District's contributions subsequent to the measurement date	17,836	-
Total	$ 80,197	$ 19,336

$17,836 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending November 30, 2024.

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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2022, the beginning of the measurement period ended June 30, 2023, is 4.4 and 4.4 for the measurement period ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:	
2025	11,710
2026	51,951
2027	(12,483)
2028	(8,155)

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%
Investment rate of return*	6.35%
Cost-of-living (COLA) adjustments	1.00%

*net of pension plan investment expense

**there is an individual additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on the years of service.

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 (asset) as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONCLUDED)

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
District's net pension liability (asset)			
Total Plan	$ 547,572	$ 288,149	$ 76,266

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.

There were no payables related to PERSI at year end.

NOTE 7 - RISK MANAGEMENT

The District faces a number of risks of loss including damage to and loss of property and contents, professional liability, (i.e. errors and omissions, and health insurance costs of employees.) The District contracts with an insurance company for property insurance and general liability insurance.

The District's workman's compensation coverage is provided by the Idaho State Insurance Fund.

The District provides medical, dental, and vision insurance to most employees.

NOTE 8 – CONTINGENCIES

Intergovernmental Grants – The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, District management believes such disallowances, if any, will be immaterial.

Litigation – The District is party to legal claims arising in the ordinary course of its business. In management's opinion, the District has adequate legal defenses or insurance coverage relative to these actions. Management does not believe any actions will materially affect the District's operations or financial position.

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NOTE 9 – PRIOR PERIOD ADJUSTMENT

During the fiscal year ended November 30, 2023, capital assets in the amount of $39,779 were inadvertently not capitalized. The net position on November 30, 2023 has been restated to account for this change.

Beginning net position as previously stated at November 30, 2023	$	20,206,314
Prior period adjustment related to capital assets		39,779
Beginning net position as previously stated at November 30, 2023	$	20,246,093

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REQUIRED SUPPLEMENTARY INFORMATION

Draft FS 11.25.25

CENTRAL SHOSHONE COUNTY WATER DISTRICT

SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 - Fiscal Years *

	11/30/2024	11/30/2023	11/30/2022	11/30/2021	11/30/2020	11/30/2019	11/30/2018	11/30/2017	11/30/2016	11/30/2015
Central Shoshone County Water District's portion of the net pension liability (asset)	0.0077032%	0.0083675%	0.0080274%	0.0077440%	0.0081789%	0.0102210%	0.0118833%	0.0133439%	0.0136803%	0.0134823%
Central Shoshone County Water District's proportionate share of the net pension liability (asset)	$ 288,149	$ 333,919	$ 316,181	$ (6,116)	$ 189,925	$ 116,670	$ 175,281	$ 209,743	$ 277,321	$ 177,540
Central Shoshone County Water District's covered-employee payroll	$ 377,848	$ 364,579	$ 325,490	$ 301,421	$ 288,982	$ 318,506	$ 370,609	$ 413,670	$ 408,294	$ 383,662
Central Shoshone County Water District's proportional share of the net pension liability (asset) as a percentage of its covered payroll	76.26%	91.59%	97.14%	-2.03%	65.72%	36.63%	47.30%	50.70%	67.92%	46.28%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of June 30, 2024 (measurement date)

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERSI - Base Plan
Last 10 - Fiscal Years *

	11/30/2024	11/30/2023	11/30/2022	11/30/2021	11/30/2020	11/30/2019	11/30/2018	11/30/2017	11/30/2016	11/30/2015
Statutorily required contribution	50,105	36,546	37,172	30,575	32,089	39,110	$ 46,148	$ 44,997	$ 40,666	$ 44,101
Contributions in relation to the statutorily required contribution	$ (42,707)	$ (42,995)	$ (38,244)	$ (34,922)	$ (35,221)	$ (39,870)	$ (43,866)	$ (47,553)	$ (45,697)	$ (45,248)
Contribution (deficiency) excess	$ 7,398	$ (6,449)	$ (1,072)	$ (4,346)	$ (3,132)	$ (760)	$ 2,282	$ (2,556)	$ (5,031)	$ (1,147)
District's covered-employee payroll	$ 377,848	$ 364,579	$ 325,490	$ 301,421	$ 288,982	$ 318,506	$ 370,609	$ 413,670	$ 408,294	$ 383,662
Contributions as a percentage of covered-employee payroll	11.30%	11.79%	11.75%	11.59%	12.19%	12.52%	11.84%	11.50%	11.19%	11.79%

Data reported is measured as of June 30, 2024 (measurement date)

Draft FS 11.25.25

See accompanying notes to the financial statements and independent auditors' report